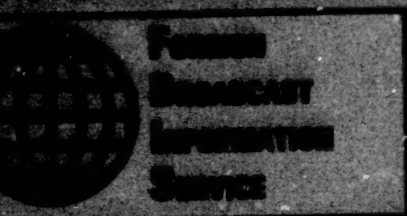


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JPRS Report

East Europe

East Europe

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GERMAN DEMOCRATIC REPUBLIC

Writer Criticizes Anti-Semitism, Praises Soviet Reforms

23000025 East Berlin JUNG WELT in German
16 Sep 88 pp 3-5

[Interview with author Stephan Hermlin by Hans-Dieter Schuett and Peter Neumann in the JUNG WELT Series of Conversations: "That Is the Anti-Fascist's Fate—To Be a Sisyphus"; date, place, and occasion not given; first six paragraphs are introductory sidebar]

[Text] Stephan Hermlin, born 1915, author.

Stephan Hermlin lives in Berlin-Pankow; 1931 joined the Communist Youth Association; 1936 exile in Egypt, Palestine, England, France, etc.; supported the Spanish Republic's anti-Fascist struggle; 1939 in the French Army support troops, later in a number of camps; participated in the Free Germany movement; 1945 returned to Germany; 1947 moved to Berlin in the Soviet Occupation Zone; since 1975 Vice President of the International PEN [Poets, Essayists, and Novelists] Club, member of the executive board of the Writers Association of the GDR, honorary member of the FDJ.

Selected publications: "Zwoelf Balladen von den grossen Staedten" (1945), "Der Leutnant York von Wartenburg" (story, 1946), "Zweiundzwanzig Balladen" (1947), "Die Zeit der Gemeinsamkeit" (stories, 1949), "Mansfelder Oratorium" (1950), "Die erste Reihe" (1951), "Scardanelli" (radio play, 1971), "Lektuere" (1973), "Die Argonauten" (1974), "Abendlicht" (1979), "Aeusserungen" (1983). Adaptations, translations, anthologies.

Born in Chemnitz. He came from a rich and cultivated family. Very early on he succumbed to the fascination of a different world—that of the proletariat, became a Young Communist, the only (!) student in his Gymnasium to do so. But he has always respectfully accepted the culture in which he grew up. There was never any (false) antibourgeois rebellion for him.

Approach to an author: Manner of speaking. His pipe. An air of sound thought. One of his colleagues said that Hermlin possessed that peculiarly French way of living with the esthetic, a natural unity of life and art. He can dramatize as he tells a story. Can be affectingly serious and suddenly giggle so nicely.

Author Stephan Hermlin's delicate sensibility has made a lifelong contribution to lifting the historic burden from one process: that of speaking German to another person.

[JUNG WELT] Comrade Hermlin, we would like to talk with you about anti-Fascism today, about looking at history. A conversation on these subjects has to begin with the challenge that our Socialist state faces: the very German republic which is honestly entitled to call itself

a republic of anti-Fascists is coming under polemical fire from the ideological foe: skinheads, flare-ups of the Fascist demon, however sporadic and isolated they may be—we are told that these are an expression of the fact that even we have not come to grips properly with history. Even if we ignore the fact that in looking at our country the other side faces the wretched task of selecting a perspective that makes the grain of sand appear larger than the house behind it, many letters from readers to JUNG WELT express embarrassment, outrage, even incomprehension, that such things can happen here too.

[Hermlin] I have always argued against the thesis that we have come to grips with the past. At best one can come to grips with the past the way Sisyphus rolls his stone up the mountain. Every time, it gets away from him and he has to start over from the beginning. That is the anti-Fascist's fate—to be a Sisyphus and fight an unceasing struggle that never stops. The individual may stop but then the next one must carry on the responsibility.

Well then, the leadership of our party and state totally oppose anti-Semitism. I believe the main credit for that goes to Comrade Erich Honecker. I know him very well and know that he has always considered anti-Semitism the enemy of the workers movement and acted appropriately.

The fact that there have in my opinion been shortcomings as regards the question of coming to grips with the past, that we have seen cause for public concern and embarrassment—this has nothing to do with our official state policy. I am very well aware that the leadership of the state and party have done a great deal in recent years to take care of things that had not been done and to make people aware of things that had long been neglected. Naturally the world has noticed this. But along with its many, many achievements and good points, naturally the GDR also has shortcomings and I believe that in the final analysis almost of these come down to this, that many people are self-satisfied. This desire I am always finding to adopt to the way things are; this desire to fool oneself; the justifiable pride in what we have accomplished, which however is too seldom accompanied by thoughts of what still remains to be done—that is something we have not sufficiently fought against. But it is never too late to do so. The question of anti-Semitism is just a single aspect of this problem, although a very important one, particularly for Germans.

[JUNG WELT] How is that?

[Hermlin] Anti-Semitism was the alpha and omega of Fascism. It was for good reason that the Fascists always mentioned Communists and Jews in the same breath—that does honor both to Communists and to the progressive Jews. The role played by Jews in the workers movement is a most glorious one. That goes from Karl Marx and Ferdinand Lassalle, to Rosa Luxemburg and Leo Jogiches, to the Herbert Baum resistance group—to mention just a few examples. From its very beginnings,

the revolutionary workers movement was locked in an unyielding struggle against anti-Semitism. But we must never lose this important element of our tradition! We have not always made that as clear as we should. No doubt this was in part due to the influence of certain developments in other Socialist countries. In our schools we talk a great deal about the persecution and destruction of the Jews. We must give credit where credit is due; in this question the GDR has always behaved honorably—as I have emphasized on other occasions. But I also want to see that it continues to do so.

[JUNGE WELT] Certainly one fundamental point is for all of us constantly to be reflecting on how to organize young people's identification with society. One thing experience proves does not make sense is to generalize, e.g., along the lines of "Society is to blame." Who is society? The SED? The media? Teachers? What we usually understand as society very soon breaks down into a concrete complex of relationships with parents and family, friends and colleagues, acquaintances, and relatives. And when you look more closely, many critics will have nothing to do with the petty details of daily life. But nobody is excused and nobody has the right to point his finger at others.

[Hermlin] Yes, but we were taken by surprise and we need to relearn from our first reaction to the skinheads that we cannot react defensively in situations where we must react offensively! I am for defensive driving but not for defensive political strategies. The status quo where we had a rather soothing or soothed anti-Fascism was suddenly very much shaken up by the sudden appearance of anti-Semitic incidents and criminal actions by individuals. I protest sharply against calling people rowdies who in my opinion were and are Fascists. Isn't that strange? I know perfectly well what a rowdy is. That is a person who, when he has had too much to drink, annoys passers-by on the street or demolishes telephone booths. But a rowdy is not someone who goes out the street with others like him and shouts "Long live Barbie!" or chants the initials of the Nazi Party for minutes at a time. It is absurd to react in such situations like Christian Morgenstern's Palmstroem, who believed that what should not be, cannot be. I have also spoken to Comrade Honecker about this and when I made this point, he said, "I entirely agree with you." I told him, I protest against an incomprehensibly mild sentence, there is the Buchenwald Oath that we always put so much store by.

We must be very careful that certain things we believe in, things we have put our name to, do not turn into mere rituals or phrases. What good is it if we only remember the Buchenwald Oath now and then, only on certain days of the year? We forget things gradually. We have got to watch out very carefully.

[JUNGE WELT] Since 1945 a great many things having to do with this question have been suppressed in the FRG. That has to do in the broadest sense with those in the government, who also played a major role in what

preceded the Fascist defeat. But it is foolish to struggle against a Fascist or antisemitic syndrome as if it were omnipresent. We really do not need to be ashamed of the historically-new attitudes that have arisen in our German state in only 40 years. Certainly that does not mean we do not need to be watchful. Don't suppress unfinished business but keep things in the right proportions!

[Hermlin] I want to tell you a story. A while ago at a peace congress, authors from several different countries had a discussion about questions involved with anti-Semitism. The subject of anti-Semitic incidents in the Federal Republic and Austria came up, someone asked whether it was really true that the GDR is a truly anti-Fascist state. I told about the roots of the GDR, about our anti-Fascist traditions, and I pointed out that all they had to do was add up the years that many members of the party and state leadership spent in prisons and concentration camps or on the Spanish Front or in exile. The situation was very different of course from that in the Federal Republic, where we all know someone like Willy Brandt was sometimes treated like a leper and attacked from the right because he was an anti-Fascist. And, I said, the GDR's attitude in the Jewish question is correspondingly different than in the West.

At that point a college from our republic spoke up: Yes, as far as he was concerned you could see the GDR is anti-Fascist just from the fact that his children do even know what a Jew is. I responded to him: My dear friend, precisely the opposite is true; you cannot be an enemy of anti-Semitism if you not know what a Jew is. We have no right whatsoever to be proud that children no longer know what a Jew is. Such children are in the very greatest danger.

[JUNGE WELT] Could it not be that this colleague was simply trying to express (certainly in an oversimplified way) how politically unencumbered and with what lack of prejudice we in the GDR behave toward Jewish citizens? There simply is no more oppressive, disturbing memory of that fatal "yellow stain." That makes us different from other social orders in the world. In other words, you must not confuse the unconcern about Jewish citizens that has (finally!) arisen here with the absolute necessity of cultivating and increasing our knowledge in the sense you just mentioned.

Anti-Semitism, a hostile attitude toward Jews, is foreign to us as young people. We believe the two of us enjoyed a normal upbringing in our country, one from which it is certainly possible to generalize the experience of many people. Our children too have no problem with this question. You believe, however, that we are still caught up in this issue?

[Hermlin] Anti-Semitism is a matter has existed for 2 millennia. As younger people naturally you are untouched by these things. But one does have the responsibility of knowing what it is all about. Personal experience is certainly not everything if one wants to get along

in the world. One must want to find out something about the destruction of the Jewish state under Roman rule, the scattering of the Jews throughout the Mediterranean world and then all across Europe. That is a terrible, ghastly history, one whose final causes may not even have been revealed.

And the geographic area we designate today as Germany, that was the main area of settlement of the expelled Jews. England exterminated its Jews in the Middle Ages, France did too. A large portion of the German Jews were exterminated in the course of continual persecutions and pogroms. Some of these Jews then moved on to the East; the Eastern Jews are a later formation than the German Jews. And then a large portion of them returned from the East to Germany when conditions became unbearable under czarism.

Whether one wants to or not, one must be aware of these things, one must study them. In this respect a book like "Der gelbe Fleck" [The Yellow Stain] by Rosemarie Schuder and Rudolf Hirsch, which was published here a few weeks ago, is extraordinarily important, because for the first time it gives many of our citizens and our youth in particular some understanding of the history of the Jews in Germany.

[JUNGE WELT] You once wrote, "My entry into the revolutionary movement was the start of the separation from my family and other people close to me. I still had not grown up when I became aware that I might not live past the next hour. That was when I began a 12-year period in the political underground and exile. That meant violence, mostly suffered by me but also done to others." What did it mean to you personally when the Fascists came to power?

[Hermlin] I was not even 18 when Hitler came to power and I had been a Young Communist for a year and a half. The most decisive experience in my life up to today was the adults' mass betrayal of the youth of the time, which I too personified... You see, the betrayal that was committed (and that ranges from the Liberal camp to the Communists) is indescribable—although I do want to stress that many Communists remained true, were ready from the first moment to sacrifice their life, and behaved accordingly.

A history with traditions weighs on us Germans, one with very good and with ghastly traditions, and with many we do not talk about. Look, in 1933 it was like this: after 1 May when the union offices were attacked, the unions banned, the unions' property taken away, and the unions' leaders put into concentration camps, by the next day many union members had already joined the NSBO's—National-Socialist Enterprise Organizations—or the KDF (Strength Through Joy). German workers took trips to Norway or to the Mediterranean and the Nazis were the first to give them such opportunities. And German workers grabbed the opportunity without blushing....

[JUNGE WELT] Obviously you are still very much concerned about the problem that even today it would be very dangerous only to draw a distinction between oneself and national socialism, without investigating the roots of its power to attract?

[Hermlin] The number of people who abandoned themselves, their humane views was frighteningly large. And the terror began all at once in the very first night of fascism; the first Communist and Jewish dead came in the night of 30-31 January 1933, in the Night of the Torchlight Procession. That increased then in the following days and weeks, these notorious SA cellars were set up here in Berlin—friends of mine barely survived days of beatings and abuse in them. This terror was mixed with a constantly growing enthusiasm among the people that was always being fed by very clever strategies, they were always finding occasions to celebrate something; people thought everything was magnificent, whether it was the elimination of unemployment, the start of work on the Autobahns, or the withdrawal from the League of Nations. This withdrawal did not arouse fear, as it ought to have, it confirmed the great feeling: all the others will crawl in the dust before us German yet.

We resistance fighters were a minority that you cannot even put into numerical terms. The truth was like this: in Germany possibly 1 percent of the population did something in the way of resistance, and even 1 percent is too high a figure. There were a few who spent an entire lifetime in the resistance, cadres in the underground who led a terribly dangerous life—but of course "resistance" also included people who really did not do anything. Just one time they said to a Jew, "Stay in our basement tonight, I'll hide you. For 2 days anyway, I can't do it any longer than that."

[JUNGE WELT] Do you believe that young people today should still feel something like guilt?

[Hermlin] There is no question of guilt any more. There is, however, the question of historical responsibility, which rests on you just as it does on me. All of us together share this responsibility for the reputation of Germany, to put it a bit dramatically. All together we as a state personify what in the very most difficult times we used to call "the other Germany." We are the other Germany.

[JUNGE WELT] Do you see any difference in the fundamental historical sense that youth in the GDR and in the FRG grow up with?

[Hermlin] Youth in the GDR have the advantage compared to youth in the Federal Republic that the decisive anti-Fascist cadres, the ones from the time of the struggle against national socialism, found their political home in the GDR. Therefore, of course we have many young

people from respectable families. I am not using this term in the usual sense now. To me, a respectable family is a family in which anti-Fascism is something of a tradition.

[JUNGE WELT] What do you think of the statement that today's youth, the most conscious part of it, is a Thaelmann young guard? This of course says something about your generation of Communists too, whose work we are continuing to the extent that your generation itself passes on its political credo.

[Hermlin] I am going to exaggerate: Part of our youth has grown up believing that half of the German people were Fascists and the other half anti-Fascists. In the end the one half overcame the other, thanks to the Red Army and thanks to the Allies, the GDR was founded, and the fact is that a large portion of this youth considers itself the descendents of fighters...But: their parents did in fact fail, and their grandparents too.

If this youth considers itself the descendents of Bebel and Thaelmann, then of course that is correct. But I believe that parents and grandparents should not simplify things by saying, "In our day we fought without hesitation for the true and the right, and now it is your turn." When they ask, "What did you do back then?" young people must always be able to expect an honest answer.

In an earlier interview I warned against the incorrect view held by some comrades that one should not suggest wrong questions to youth. I refute that and say that there is no such thing as a wrong question, that youth asks the questions vital to it, and that we must answer these questions truthfully even if they are often uncomfortable questions. And naturally we older people have to answer them too.

[JUNGE WELT] In a conversation with your West Berlin publisher Klaus Wagenbach you put it like this: "It is difficult in the long run to govern people who somehow feel guilty." You were talking about drawing a clear, liberating line between the present and the fatal era of Hitler fascism. It is that which made it possible for the first time for many people to hold up their head freely and without hindrance to build a new Germany. Although many, many people shared the guilt, it is true even today that we stress what joins us and not what separates us when it comes to the coalition of reason. Was the situation not similar then?

[Hermlin] You know, you can argue about that forever. I consider it a mistake in an extremely difficult situation, with terrible problems weighing on one, to attempt to ease people's consciences by cosmetic means. That is always very tempting and, you know, if in my lifetime I had ever had to bear the responsibility of governing, who knows what I would have done? I am not certain. There were very, very good and proven comrades, people who

had endured terrible things, who helped apply those cosmetic touches. The reasons for doing so are obvious: you want to win people over, you want to make people willing to listen to you, to go along with you, to work with you in a very good cause.

I myself was an Allied soldier. Yes, we fought to save as many as possible of the Germans of our own age who were compelled to wear the Hitler uniform, to convince them to desert or come over to us. That was our goal but it was not done in order to accuse them years later of having served in the Hitler Wehrmacht. This internal conflict reflects our situation, which was so dreadfully difficult, and which will not grow easier in the future. I keep coming back to Sisypheus.

[JUNGE WELT] A bourgeois Italian magazine asked you recently why you are a Communist. Your answer was as laconic as it was strange: "Because the Communists are weak." What did you mean by that?

[Hermlin] Of course Communists have accomplished a tremendous amount, today they are a world power, and yet from a historical point of view, compared with capitalism, they are still the weaker party, and that is why I am on their side. They are the newer party, they have not yet been able to develop sufficiently, and that is why one must support them. Many may not agree with me in this assessment, but that is how I see it.

Communists are, if I may say so, a chosen people—I am deliberately using this Biblical expression. Only they are leading society into a new historical, human order. Capitalism—with all its accomplishments and extraordinary abilities, including the ability to adapt and change, which we greatly underestimated—is nonetheless—with all that it accomplishes every day, with its gigantic productive capacity—incapable of solving the decisive questions of humanity. We are the only alternative. Perhaps we will fail too, that could be well be. Then there will be others after us. But that is our historical mission.

[JUNGE WELT] How would you assess the strength of socialism today in the struggle with the capitalist order? You have more than once expressly borrowed Brecht's formulation that socialism is the easy thing that is difficult to do.

[Hermlin] I have very definitely experienced the difficulty of it. At the same time I have seen great changes come about. Today in Western publications I come across the concept of real socialism, which is meant or taken as mockery. But the concept does not deserve to be mocked. Other than that there is only socialistic-sounding chatter of an amateur sort whose proponents claim to understand genuine, true socialism; at the same time the impossibility of implementing that socialism enables them to surrender to resignation, confident that they know best.

Some 140 years ago Marx and Engels wrote something about the "true Socialists" in the "Communist Manifesto" that one still can read with pleasure. Utopia is not the ally of the "true Socialists," rather it is on the side of real socialism, which it constantly criticizes and takes beyond existing accomplishments.

I am, for instance, in favor of the absolutely necessary reforms in the Soviet Union, which by no means touch only on economic matters. The reforms affecting the party, consciousness, Communist ethics—these will radiate over the entire world and they will give us Communists an irresistible strength for the future, the effects of which I probably will not live to see. I am firmly convinced that communism will reach its true apogee only through the new Soviet revolution—in my opinion it is a revolution like the October Revolution and I am of course prepared to see differences between the Soviet Union and the GDR, between the circumstances in our two countries. But I also have the patience to properly classify responses to events in the Soviet Union, I believe in the irresistible strength of Communist arguments, and one part of them is always to reveal history to all the world, without fear. We are gaining strength that we did not have for decades.

[JUNGE WELT] When we read about all the tricks the opponent uses to try to upset things, especially as pertains to the issue of the past, then the concept of totalitarianism plays a certain role, above all now and with regard to the Soviet Union; we are thinking about efforts to equate socialism and dictatorships of the Hitler type. What do you think of that?

[Hermlin] Yes, at some point after the war the hypocritical word totalitarianism came into use. It was used not only to get away from the dangerous concept of fascism, which people had had a large part in, but also to associate with precisely that fascism the social system that was the deadly enemy of fascism, that played the main role in its collapse, and that made the largest sacrifices in the struggle. Naturally I will never, for instance, agree to compare the Stalin period, say, with national socialism in Germany or place it on the same level. That is quite a different thing. But even if we reject the totalitarianism thesis, we cannot ignore atrocities, inconceivable crimes which are connected with Stalin and which by no means had to do with the Soviet Union alone but which affect all the Communist parties, not least in coming to terms with them. This is a new test for Communists but far from the first one. Communists simply have the task of surviving every test. Despite all difficulties, without illusions and without eyewash.

[JUNGE WELT] How do you assess the contribution of GDR literature and art to the subject of anti-Fascism?

[Hermlin] Art is made by artists, by artists of greater or lesser talent. When I think of the names and of what has been done in the GDR since 1945 in the way of literature

and art—it is an astonishing collective accomplishment. This small country has produced a very militant literature and art. It is an accomplishment to be proud of.

[JUNGE WELT] Today in the FRG that Stefan Krawczyk and that Freya Klier are trying to write a book about the alleged collapse of culture in the GDR.

[Hermlin] It is rather comical for people to speak about collapse at a time when the public in Europe is speaking of the accomplishments of our culture with the greatest respect.

[JUNGE WELT] Which authors could you name as being close to you and your views of how German thought and recent German history should be handled?

[Hermlin] Christa Wolf, Hermann Kant, Franz Fuchmann....I told them years ago: you have got to do something that my generation cannot do—we, who fought outside Germany, naturally with deep ties to Germany, but you have experienced that change, to have lived with a Fascist-influenced consciousness until the realization came that one was on the wrong side and that it was necessary to change Germany totally—which of course led to the GDR as the totally-changed Germany.

[JUNGE WELT] Your book on young resistance fighters, "Die erste Reihe" [The First Rank], published by the FDJ's Neues Leben publishing house is very valuable too. GDR television based a film on the material; do you believe that the responsibility to the dead that compelled you to write is still there?

[Hermlin] I constantly encounter people who are unknown to me, cadres in enterprises and in organizations, who thank me for that book because it helped educate them. Naturally it is a really incredible feeling for an author when he hears something like that.

[JUNGE WELT] The book has also become a historic example of the close cooperation between the youth association and authors, for the connection between political mission and one's own creative will.

[Hermlin] You know, shortly after the war I was just 30. Back then Erich Honecker was chairman of the FDJ and he made it possible for me to write "Die erste Reihe." He showed an ongoing interest in it, how things were going, whether I was having difficulties. Erich is the child of workers and did not attend a higher school, his higher school was a prison; and a leader of the workers does not of course have to be an intellectual, does not have to be an artist. But Erich Honecker showed me how a high party official should behave toward authors; since he always shows a lively interest in them. And finally it is primarily he who saw to it that the chances for literature to develop in the GDR have increased so extraordinarily in recent years. In the period beginning with the 8th SED party conference changes were clearly visible. Once again we can have a time—and I am not just talking about

art—when we hold on to what has been accomplished while at the same time paying careful attention to what still needs to be accomplished. At these junctures it is particularly important to display perseverance and patience.

[JUNGE WELT] Wisdom is a question of life experience and inner maturity; well, young people do not measure themselves directly against the dimensions of great historical eras, they see their own lifetime, they certainly can be somewhat more impatient about their dreams for that reason, which in daily life can lead to some conflict....

To conclude, we would once again like to cite Stephan Hermlin: "There is nothing else to do: one must stand up for the views one is convinced are right, while at the same time remaining open to correction. That is the sole sound basis for dialogues. There is of course not only the dialogue between Socialists and non-Socialists. There is also the very necessary dialogue among Socialists."

Thank you for this conversation.

12593

HUNGARY

German Report on National Assembly Session
23000021b Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 6 Oct 88 p 6

[Article by V.M., Budapest: "Private Enterprises May Employ 500 Workers. Hungarian Parliament Session. Nagymaros. Conflict With Romania"]

[Text] The extraordinary session of the Hungarian Parliament began on Wednesday morning with a ceremony honoring the Hungarian athletes who won 11 gold medals in Seoul. Afterwards Parliament got involved in the contradiction of democratic willingness and the institutions that are needed, but are not yet available. As for the question whether Parliament should debate the Law on the Revision of the Corporate Profits Tax now or later, the vote count and hence determination of the majority proved to be difficult. There were repeated requests for a show of hands, until it finally was clear that Parliament was willing to debate the law now.

For the first time, the week in Parliament had promised an exciting political debate—about the Gabčíkovo-Nagymaros Danube power plant, currently under construction. However, the final government report on this issue did not become available until the weekend and most deputies were not able to get a copy until Wednesday when the session started. The deputies, therefore, agreed to postpone the discussion of this topic until Friday. The government report addresses in great detail the arguments against the power station and promises to be prudent and considerate. However, as expected, the government recommends the continued construction as

the only realistic alternative. The predominant view in Budapest is not to reach a conclusion on the two power stations now and put the matter to another vote. Previously, it was believed that the wishes of Czechoslovakia needed to be accommodated to maintain good relations and also to weigh [the opinion of] the minority. In addition, at the time the after effects of the shock caused by the energy crisis had to be dealt with. The economic efficiency of the power plant is by no means a given, it was noted.

Around noontime, about 500 people assembled in front of the Parliament building for a demonstration. Police secured the building. The demonstrators carried posters which show hands breaking their chains; evidently it was a demonstration in favor of continued democratization. The current parliamentary session is an important step in this process, although the Freedom to Assemble and Establish Associations Law, which would permit the de facto formation of political organizations, will not be debated until November. Independent groups are already demanding that the new freedom of association be anchored in the constitution. This is not a matter being debated, and the common assumption is that it will be put into effect. Parliament agreed on Wednesday to expand the commission that works on the new constitution and to further strengthen the parliamentary commission by staffing it with competent personalities.

In personnel matters, Parliament accepted the resignation of Deputy Prime Minister and Trade Minister Marjaj, primarily for age and health reasons, and appointed the current Chamber of Commerce chairman, Beck, as new trade minister. A number of leading functionaries, who had assumed their jobs in May, had to be co-opted to Parliament. In all instances, including Minister President and Party Chief Grosz, the results were about 20-30 dissident votes. During the nomination of two deputy chairmen of Parliament, a ballet dancer offered herself as third candidate; Parliament decided against such an ornament. Parliament's goal to reinforce its role as supreme national representative was reflected in an opinion against the Council of Ministers which, under Kadar, had often attempted to downgrade Parliament. In the future, they said, the Council of Ministers would not be permitted to set its own remuneration and annuities, since this should be left to Parliament. The functionaries who had been voted out in May were told that their annuities would have to be in line with demonstrated accomplishments.

Finally, Minister of Justice Kulcsar reported on the day's most important topic, namely, the Law on Private Economic Organizations. The Hungarian economy, he noted, must mobilize all its resources, use the national investment capital in a flexible way and remove the barriers vis-a-vis other property forms. Private property in the economy must be equal to socialist property. In accordance with the new law, private persons would be allowed to form free economic organizations in different legal setups. Foreign investment would be permitted to

participate up to 50 percent in Hungarian enterprises without special authorization; for a higher percentage of ownership a permit would be needed. In the future, private enterprises will be permitted to employ up to 500 people.

In the corridors, the big topic was the conflict with Romania. The party paper NEPSZABADSAG had published a verbatim reprint of last Sunday's attack by the Romanian party organ SCINTEIA on Hungarian policy in Transylvania, which was followed by a reply accusing Romania of breach of promise and of stubbornness.

7821

Victor Meier Views Expanding Role of National Assembly

23000021c Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 11 Oct 88 p 12

[Article by Victor Meier: "Complaints About New Structure. Hungarian Government's Increased Self-Confidence Causes Trouble for Parliament"]

[Text] The evening express from Vienna to Budapest, which only a year ago consisted of three half-empty carriages, is now a long train, in which hundreds of Hungarians, their plastic bags filled to the brim, are returning home from their shopping trips. The easing of travel restrictions has become noticeable. While many Hungarians are angry because, officially, no foreign exchange is allocated for traveling, they somehow manage to travel anyway; and on their return trip the customs officials are interested in their purchases and only half-heartedly in their money.

Something else that is new is that foreign journalists no longer go to Budapest in order to attend party congresses or Central Committee meetings only, but also Parliament sessions. The building at the Danube, patterned on the English example which, before the turn of the century, was supposed to represent Hungary's greatness—together with corresponding claims—is also the government seat. Ever since the People's Republic was proclaimed, the rule has been for Parliament to approve the legal texts submitted by the government, without asking any questions. The government, in turn, was the executive organ of the party. A short time ago, particularly since the upheaval in May, all that changed. This time, the frustrated finance minister found it necessary to state in a press conference at the close of the parliamentary debate that Parliament should not want to govern, but pass laws for the government so as to make it possible for the latter to govern. A high-ranking official of the ministry went as far as to reproach Parliament for its "lack of political culture." However, these complaints could not make up for the fact that Parliament returned the corporate tax law for further clarification. The finance minister and the rest of the government have to expect that.

True, the "pluralism of institutions," as Hungary's newly developing political system could be defined, does not yet function smoothly and completely; nonetheless it is functioning. One of the results is that the party machine is losing more and more its character as power center. The whole powerful movement that brought about the changes in May and with it liberalization, came from the grass roots and the elected party bodies. It then spread to the peripheral layers, such as the Patriotic Popular Front, and from there it came back to the party. People like Secretary of the Central Committee Berecz who must now defend the interests of the Central Committee, are in a difficult position. The two reform leaders in the Politburo, Pozsgay and Nyers, are calling for a "party reform," which means primarily that the, in fact, already accomplished predominance of the elected party organs over the party machine will be formally insured. These elected bodies hold discussions and develop informed opinions.

The government, under Prime Minister Grosz, had already come into its own before May, when the government chief also became head of the party. However, it will not be acceptable to keep the offices of the party secretary general and the prime minister combined in one hand. Very soon, presumably at the end of the year, we can expect the appointment of a new prime minister. There is mention of Miklos Nemeth who is responsible for economic policy within the party apparatus. Grosz is developing dynamism and some achievements must be attributed to him personally. Talk of a "crisis" in Hungary has become more muted. Some economic indicators have improved. In the foreign political area, Hungary has become more active in international processes. These include the agreement with the European Community and the normalization of relations with Israel and hence with the large Jewish world organizations. The refugees from Romania are forcing Hungary to sit down with the U.N. High Commissioner for Refugee Issues, and the idea to abolish the so-called technical border barriers already has been submitted to the defense committee of Parliament. It is likely that this will still have to be discussed with the other socialist countries, but since their solidarity with Hungary in the minority issue is not very large, there is no need for Budapest to play border guard for its "friends" forever.

However, despite these accomplishments, Grosz will by no means be able to govern as high-handedly as former party chief Kadar did. This is not so much the result of his personality, but of changed circumstances. For instance, before Ceausescu's invitation, extended at short notice, to meet in Arad was accepted, intense discussions were held in the Hungarian Politburo and party machine on whether an invitation at such short notice could be accepted at all. Grosz had to prevail.

Nobody knows what the new Hungarian socialist democracy will eventually look like. The only thing that can be said is that the changes are proceeding "in good order," that the discussions are nowhere irreconcilable and that,

following a Politburo decision, it is planned to exercise tolerance vis-a-vis nonsocialist groups. In this process, Parliament has played a major role. Although its composition continues to reflect an earlier development state and although it has neither a practicable agenda nor the other tools to pursue independent legislative activities, it has played a decisive role this session in objectifying the development by the state of informed opinions. The reason why Parliament did not follow the government on the Gabčíkovo-Nagymaros power plant was not that it felt obligated to do so but because it was persuaded by arguments, despite an initially rather critical attitude. It did so without enthusiasm but because it knew that any other solution would be even more difficult.

In the future, Parliament is likely to play a large role in tax legislation. This seems to be necessary: Tax issues are of great concern to the people and have led to bitter complaints. As Politburo member Nyers once said, Hungary has always had good financial experts, but seldom good economists. Hungary's entire tax legislation, as revised since the easing of the rules some years ago, suffers from too many fiscal points of view that are based on the letter of the law, behind which too little attention is paid to economic and social needs. Neither the income tax law nor the now-postponed bill on corporate taxation contain any clear regulations for deductible production costs, writeoffs, investment incentives, etc., as the tax systems of all free-market economies of the world know them. On the other hand, there are hardly any deductions for social benefits. Taxes are considered too high, to have a discouraging effect on achievements and they seem socially unfair.

A statement was made in Parliament about its inability to judge whether a 40 percent tax on profits would be the correct tax rate for corporations, since the body had no idea of how to define profits. If the Finance Ministry consulted some economic experts in its legislative work, perhaps it would not have to complain later on about Parliament.

7821

Old Political Parties Begin To Stir

23000021a Bonn DIE WELT in German 6 Oct 88 p 2

[Article by Carl Gustaf Stroeck: "Hungary: Social Democrats, Small Farmers Beginning To Stir. Hope for First Multiparty System in a Communist-Ruled Country"]

[Text] It was only recently that the Hungarian party and government chief, Karoly Grosz, stated that the establishment of a multiparty system in his country could, at best, be imagined in the distant future. However, for those who have followed the latest discussions in Budapest, the accelerating political development appears to have already overtaken the chief of the Communist Party.

A prominent player and opponent of the party chief, the Politburo member and minister, Imre Pozsgay—until Kadar's replacement, head of the Popular Front—has drawn a very different picture: He believes that the possibility of an opposition party moving into the Hungarian parliament is "not unimaginable." Also speaking of a "delicate situation," Pozsgay stated that the "conservatives" (meaning the dogmatists in the Communist Party) are trying to delay the reform.

At the most recent Central Committee meeting, only a few days before Gorbachev's surprise coup, these Hungarian dogmatists still demonstrated strong signs of life, but reportedly their spirits have now been dampened. However, outside the Party, which continues to be the sole ruling party, numerous independent organizations, which are not even permitted under existing formal laws, are now springing up like a crop of mushrooms after a warm rain, because the announced organization law has not yet been passed.

There is the Democratic Forum which is planning to put up a candidate against the Communist Party in the upcoming elections—although Forum spokesmen dispute that they are a political party. In addition, an organization, by the name of New March Front, has been formed whose goal it is to take up the traditions of March 1848 as well as of the 1919 establishment of a Soviet-type republic and of pre-World War II "anti-Fascism." Its leader is the father of the Hungarian economic reform, Rezső Nyers, who once again became a Politburo member following Kadar's resignation. Thus, a peculiar situation has developed: a Politburo member of the USAP [MSZAP] heads an organization, whose membership does not only include Miklós Vasvári, former press spokesman of Imre Nagy—who as prime minister of the 1956 revolution was executed by the regime—but which supports, although gingerly, that very year 1956 and hence the "democratic socialism" of the popular uprising.

Some days ago, many scientists and intellectuals, including quite a few young people, met in Budapest. Not only survivors of the old Hungarian Social Democratic Party, but also members of the young generation expressed their support for the so-far officially frowned-upon "Social Democratism." For the coming week, an event on the topic "The Party of Small Farmers" is planned.

That party, which won the absolute majority in the post-1945 elections, before its liquidation by the Communists with the help of the Soviet occupation forces, never dissolved itself, as one of its veterans noted not too long ago. They believe that, since the party had never been officially prohibited, there is—strictly speaking—no need for them to apply for relicensing. They believe it suffices for them to merely resume its party operations; the most recent activity it was involved in was during the 1956 uprising. There are reports that a Hungarian Social Democratic youth organization is being set up.

In addition, the so-called Network of Free Initiatives, a coalition of alternative political, economic and even religious groups, somewhat to the left of the Democratic Forum, has formed. This network also has come out in favor of the multiparty system, human and citizens rights, national independence (albeit within the Warsaw Pact) and a "mixed economy" in Hungary.

The Democratic Forum represents undoubtedly the nationally oriented opposition—national in the sense of preserving national characteristics and adhering to Hungary's history. Recently, in Budapest, one of its spokesmen, the poet Denes Csengi, summarized the organization's theses in the following points:

1. The Hungarian production system is about to collapse.
2. The current policy of the Hungarian communists has ruined all naturally grown communities—from political parties, worker councils and farmers associations to families and personal friendships.
3. The declining birthrate reveals a tendency of the Hungarians toward self-destruction.
4. The country is heavily indebted.
5. For 40 years the regime has paid no attention to Hungarians living abroad (Transylvania).
6. Nobody dares speak about the really burning problems of the country.

We are adding the following as point 7: And nobody can predict where the current activities of these unleashed forces, of whose existence nobody knew anything only a few months ago, will lead to.

7821

POLAND

ZSMP, U.S. Young Politicians' Group Establish Contact

26000139c Warsaw TRYBUNA LUDU in Polish
16 Sep 88 p 2

[Text] In Warsaw representatives of the American Council of Young Political Leaders (ACYPL) and the Main Administration of the ZSMP [Union of Socialist Polish Youth] signed an understanding for a two-year inaugural program. Both organizations will exchange two delegations. These groups consists of young members of parliament; representatives of self-management organizations, social movements, and youth organizations; scientists and managers; and journalists specializing in international problems. The program anticipates that, during the course of their travel studies, Poles and Americans will meet with government representatives, as well as with representatives of social and professional groups, managers, and journalists.

Soviet Air Defense Delegation Visits Krakow 26000038b Warsaw TRYBUNA LUDU in Polish 10 Aug 88 p 2

[Text] A delegation from the Soviet Air Force, headed by deputy commander Gen Col Leonid L. Batichein, visited Krakow at the invitation of the Polish air force command. The delegation was entertained by the board of the Society for Polish-Soviet Friendship in the Krowdrze District of Krakow. The district organization of that part of the city was one of those initiating the erection of a monument to Soviet Marshal Ivan Konev as an expression of gratitude for saving the city from planned annihilation by the Nazis. The guests were presented with a medal engraved for the occasion of the unveiling of the monument. The delegation placed wreaths and flowers in Rakowski Cemetery at the section for Soviet soldiers and before the monument to Marshal Ivan Konev.

12776

Reader Assails PZPR Editor for Monologue, Not Dialogue, With Society 26000033a Warsaw KONFRONTACJE in Polish No 4, Apr 88 pp 30-31

[Letter to the editor by Andrzej Spiker of Gdynia: "In My Opinion"]

[Text] I read the interviews with Bronislaw Geremek and Ludwik Krasucki. These two Poles present strikingly different visions of Poland. This polarization is a disturbing symbol of Poland today. Mr Krasucki's comments were particularly upsetting.

First quotation: "the progress of the past created the essential initial ideological, social, and material prerequisites for the new phase of the reform."

Beyond the shadow of a doubt?

Ludwik Krasucki further claims that he is a supporter of the slogan: "we ask no one where he is coming from." In spite of itself, a strategy for winning over society reveals itself here, a strategy that depends on winning over particular individuals. A defensive strategy. The authorities encourage, assure, invite. We are dealing with a more or less patient monologue by the authorities. Exactly, a monologue.

A still more precise illustration of the views of Mr Krasucki is the statement: "the authorities' scheme—society is a rhetorical figure void of reality." In the context of this quotation, I ask the editors: is it proper to encourage people to write about national reconciliation?

The king is either good or bad, but he is always king. I am going to write, perhaps unnecessarily, but the association occurred to me: Mr Ludwik Krasucki is playing the role

of the king's index finger. The index finger is not a symbol of reconciliation. Perhaps the Teacher is right. But in my opinion, he is not.

In my opinion, the king should give society an institution that would open up an opportunity to organize and strengthen the voice of society. The voice that sounds from the Public Opinion Research Center is a still photograph. The point is not that the king know about society, but that social knowledge serve the king.

Given the currently binding formula of democratization, new subjects are being born and are beginning their life according to the scenario written above. Per force their social reception is indifferent. I am leery of expensive consultations and collections of opinions as a basic form of becoming aware of society's moods and views. It is a waste, I think, of great amounts of social energy, which is not sufficiently employed in many new and old opinion forming subjects, in subjects threatened with "burning themselves out."

In my opinion, at present there is an urgent need to regulate the river of ideas, proposals, postulates. It is possible, I think, to speak of a missing link in the relationship between the authorities and society. I think that the beginning of the current decade also made a deep impression on the authorities. It influenced its way of thinking. One could say it sensitized the authorities to institutionalizing dialogue in front of an open curtain. In this situation, it is difficult to predict well the possibility of realizing the proposal to install the missing link into the relationship between the authorities and society.

Thus, there remains economic motivation whose effectiveness depends on the wisdom of the creators of economic policy, in other words, the authorities. Obviously one can speak of the faults of the extraordinary material called Polish society. One can begin a catalogue of the obstacles to our development, as Prof Wiatr does, with "the lack of a protestant work ethic and the dominance of the nobles' model of customs." Inasmuch as such an authority as Prof Wiatr sees the influence of such historically distant factors, then one can conclude, I think, that Polish society is hardly suited to any operations whose goal it is to change its mentality. Society is what it is. It is the authorities obligation to create and to put into motion convincing mechanisms that will keep Poles in Poland with the prospect of individual and collective prosperity. (. . .)

In my opinion, it is a mistake to belittle the socioeconomic threats now occurring. This mistake shows a lack of faith in the authentic social will for reconciliation. In our situation, time is a parameter of particular importance. The authorities still have the initiative. May that initiative be creative and comprehensive; may it connect sensible efforts in economics with courageous allowance for creating qualitatively new forms of socialist democracy.

Contradiction in Reconciling Constitutional Role of PZPR, Pluralism

26000033b Warsaw KONFRONTACJE in Polish
No 4, Apr 88 p 30

[Letter to the editor by Ryszard Palosz, Krakow: "Pluralism in Poland"]

[Text] Pluralism can be defined with one word—multiplicity. It turns out, however, that "multiplicity" cannot do without unnecessary company. There is something called "multiplicity in unity" or "unity in multiplicity." Multiplicity is allowed, but . . . "in a precisely defined framework." The most curious thing about this is that the greatest problem is with "precisely." Doubters are referred to the constitution. The constitution, however, allows multiplicity without additional conditions. Then what is the problem? Simply, our constitution contains, in addition to clear, "precise" formulations, some whose generality demand additional interpretation. This is done, however, outside of the constitution. . . .

We are reaching the problem that practically, I repeat, practically makes it impossible for pluralism to exist in Poland. We are reaching the magical "in accord with the constitution." However this accord is explained, there is no doubt for anyone who takes the slightest interest in politics that it is not a question of accord with all of the constitution's provisions but with article 3 (an amendment introduced only in 1976) on the leading role of the PZPR. I obviously do not intend to deny this role; however, I must totally oppose treating it as the fundamental interpretative rule.

The leading role of the PZPR is not a value in itself, but a concrete political fact, recognized by all by their participation in public activities which the party directs. Such recognition derives from the existing situation, from, as is frequently said, the political realities.

Unfortunately, criticism of this type is prohibited. Moreover, undertaking it is defined as an action contrary to the constitution, and is, per force, against the law. . . . If some groups cannot express their views publicly, even though they hold them, it is difficult to speak of pluralism. The result is the slight resonance of calls for cooperation by those who have views different from those in power. This "difference" is always limited or rather protected by accord with the constitution.

Is this a contradiction that cannot be resolved? In no way. It suffices only to permit genuine pluralism of views, separating it from the actual monopoly of authority justified by the concrete situation. The latter is sufficiently strongly guaranteed at present that no one who thinks realistically will dare, in practice, to break this monopoly. It has always been, is, and will be that forces capable of securing their authority will use all

available means. And as long as these means are sufficiently effective, the monopoly of authority cannot be threatened practically. Attempts to overthrow it are examples of the proverbial tilting at windmills. The monopoly of authority is recognized, but the actual situation, the practice of politics, lies at the roots of this recognition. Attempts to support this practice with a theory of the authorities' exceptional status or their extraordinary legitimation are not always successful. Thus, adapting ideology to the current situation threatened and threatens us with something like "God's chosen one," which as history showed, sooner or later, is only a pious wish. . . .

Words have never overthrown any system of exercising power, for words are always unarmed. Such great fear of them is amazing.

As a consequence, pluralism must permit the formation and settling of formal groups able to express their views publicly regardless of how far they may differ from those promoted officially [censored material] (Law of 31 July 1981, "On the control of Publications and Performances," art 2 point 6, DZIENNIK USTAW No 20, item 99, amended DZIENNIK USTAW No 44, item 204). In each case, taking into account our realities, this permission could not lead to a takeover of authority. Moreover, the definition of a political party as a force aiming by nature to take over authority seems incorrect. A partial confirmation of this might be the example of the ZSL taken from our political life. It would be difficult to think it has such intentions.

[censored material] (Law of 31 July 1981, "On the control of Publications and Performances," art 2 point 6, DZIENNIK USTAW No 20, item 99, amended DZIENNIK USTAW No 44, item 204).

Permitting the existence of a legal opposition then cannot damage the sufficiently well defended monopoly of authority.

Thus, it appears that for the creation of pluralism in Poland (not Polish, for by nature such a thing cannot possibly be), it is essential:

a) to allow full freedom of expression, including the mass media, even if these statements were to deny the rightness of the existence of the current system of exercising authority. The only limitations here should be: the good of the state in the areas of defense, limited to strictly military issues, and moral principles associated with social standards. Taking these reservations into account, society's access to anything that has ever been written or said in Poland or by Poles should not be limited.

b) to allow social groups to act legally [censored material] (Law of 31 July 1981, "On the control of Publications and Performances," art 2 point 6, DZIENNIK USTAW

No 20, item 99, amended DZIENNIK USTAW No 44, item 204) in order to make it possible for the citizens who form them to express their common opinions and views.

The above two elements must constitute the foundations for undertaking any efforts aimed at creating pluralism in Poland.

13021

Party Events Calendar 18-31 July 1988
26000035a Warsaw ZYCIE PARTII in Polish
No 16, 10 Aug 88 p 21

[Unattributed report: "Party Chronicle: 18-31 July 1988"]

[Text]

Meetings of the Central Committee Politburo

19 July. The Politburo heard a report on the course and results of the official fraternal visit to Poland by Mikhail Gorbachev, general secretary of the CPSU Central Committee.

The Politburo familiarized itself with the course and results of the conference of the Political Advisory Committee of the Member-States of the Warsaw Pact.

It examined the initial economic results for the first six months of 1988.

It evaluated the implementation of the resolutions of the seventh plenum of the Central Committee.

26 July. The Politburo familiarized itself with a report on the contents of letters, complaints, recommendations, and interventions sent to the party offices, the state economic administration, and the social and cooperative organizations last year.

It familiarized itself with the course of this year's harvest.

Conferences and Meetings

18 July. A meeting with a group of representatives of the central administration and the social, political, and occupational organizations and also of the scientific community to discuss the character and range of actions and decisions and the membership of the State-Society Commission on Price and Income Policy was held at the PZPR Central Committee. Wladyslaw Baka, member of the Politburo and secretary of the Central Committee, presided over the meeting.

20 July. On the eve of the anniversary of the rebirth of Poland, a ceremony was held at the Belweder to present state awards to more than 80 citizens who have distinguished themselves in professional work, social activities, or service to the fatherland. Wojciech Jaruzelski, Zbigniew Messner, Roman Malinowski, Tadeusz W. Mlynczak, Jan Dobraczynski, and members of the party leadership and the political parties participated in the ceremonies.

Jozef Czyrek, member of the Politburo and secretary of the Central Committee, celebrated his 60th birthday. On this occasion, Wojciech Jaruzelski and representatives of the highest party and state authorities extended their congratulations and best wishes to him. J. Czyrek received the Order of the October Revolution from the Presidium of the Supreme Soviet of the USSR.

21 July. At the Grunwald fields a scouting manifestation by the participants in the Polish Scouting Union's jamboree was held. Wojciech Jaruzelski, first secretary of the Central Committee and chairman of the Council of State, attended the ceremony. Among the guests were Jan Dobraczynski, Kazimierz Barcikowski, Alfred Miodowicz, and Stanislaw Ciosek.

22 July. In Victory Square in Warsaw, there was a ceremonial changing of the guard at the Tomb of the Unknown Soldier. Gen Army Wojciech Jaruzelski and members of the leadership of the party, political parties, and state participated.

23 July. The Warsaw meeting of the youth of the capitals of the socialist countries ended. At the conclusion, Janusz Kubasiewicz, candidate member of the Politburo and first secretary of the Warsaw Committee, who served as honorary patron for the meeting, received the delegations.

25 July. The basic party organization of the central staff and of the Warsaw Tadeusz Kosciuszko Mechanized Division held a meeting to discuss the tasks required by the resolution of the seventh plenum of the Central Committee. Gen Army Wojciech Jaruzelski, who is a member of this organization, participated in the meeting.

26 July. A group of 148 young Cubans, members of the Fifth Karol Roloff-Mialowski Brigade of Cuban Youth visited Poland. Jan Glowczyk, member of the Politburo and secretary of the Central Committee, met with the leadership of the Brigade.

27 July. In Warsaw, Wojciech Jaruzelski, first secretary of the Central Committee, presided over the regular conference of the first secretaries of the PZPR voivodship committees. They discussed current results in implementing the tasks outlined by the seventh plenum of the Central Committee and the tasks which should be

undertaken in the near future. The members of the Politburo and the Secretariat and the heads of the Central Committee Sections participated in the conference.

28 July. Zbigniew Michalek, candidate member of the Politburo and secretary of the Central Committee, received Jan Kaminski, the current president of the Central Executive Board of the Central Cooperative Union "Peasants' Mutual Aid," who has decided to retire. Franciszek Dabal, chairman of the Council of "Peasants' Mutual Aid," and Jan Witkowski, the newly elected president, participated in the meeting. Kazimierz Grzesiak, head of the Agriculture Section of the Central Committee, was present.

Andrzej Wasilewski, secretary of the Central Committee, met with Janusz Roszkowski, president of the Radio and Television Committee, and with Aleksander Krawczuk, minister of culture and fine arts. They discussed the current problems of the cultural community. Tadeusz Sawic, head of the Culture Section of the Central Committee, and Slawomir Tabkowski, head of the Propaganda Section of the Central Committee, participated in the meeting.

In the Offices and Organizations

20 July. The Szczecin Voivodship Committee evaluated the results of the first six months of 1988 and the work of the party organization in the field of economics.

21 July. In Katowice, the funeral of Karol Tkocz, Builder of People's Poland, honored activist of the Polish workers movement, was held. Manfred Gorywoda, candidate member of the Politburo and first secretary of the Katowice Voivodship Committee, participated in the funeral ceremonies.

26 July. Marian Orzechowski, member of the Politburo and secretary of the Central Committee, met in Gdansk-Sobieszew with the participants of the student camp "Avant-garde of the 21st Century."

In Warsaw at the Powazki Communal Cemetery, the funeral for Stefan Misiaszek, Builder of People's Poland, honored activist of the Polish workers movement, who died 18 July, was held. Wlodzimierz Mokrzyszczak, chairman of the PZPR Central Control and Review Commission, participated in the funeral ceremonies.

30 July. Gen Army Florian Siwicki, member of the Politburo, minister of national defense, and chairman of the Main Council of the Friends of Scouting, visited the camp of the Pila Conquerors of the Pomeranian Embankments Troop of the Central Scout Union.

Interparty Cooperation

27 July. Marian Orzechowski, member of the Politburo and secretary of the Central Committee, received a delegation of the Brazilian Communist Party lead by Salomao Malina, chairman of that party.

30 July. Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Council of State, received Mai Chi Tho, member of the Politburo of the Central Committee of the Communist Party of Vietnam and minister of Internal Affairs of the Socialist Republic of Vietnam. Czeslaw Kiszczak, member of the PZPR Politburo and minister of Internal Affairs, participated in the meeting.

13021

Ciosek Confronts Near-Hostile Student Group at Summer Camp

26000038a Warsaw TRYBUNA LUDU in Polish
15 Aug 88 p 2

[Article by Andrzej Miklaszewicz: "Stanislaw Ciosek at 'Avant Garde of the 21st Century' Camp: What Is Most Important"]

[Text] Charges of demagogy were raised on both sides. Ziemowit Kuzaka, a student at the General Secondary School in Biala Podlaska, called the response to the first question demagogy and dodging. "I am paying back in kind," said Stanislaw Ciosek, deputy Politburo member of the PZPR Central Committee, a moment later, "because the argument raised proves nothing."

"Avant Garde of the 21st Century's" camp in Bialka near Parczew in Biala Podlaska province. A pine forest, a lake and cabins. Among the furnishing of the camp, organized by the Union of Socialist Polish Youth, are microcomputers and video equipment. The main criteria for participation are good grades in science. Z. Kuzaka, for example, is the provincial winner of the philosophy olympics.

After two weeks, as the meeting was ending, there were questions about the issues—judging from the reaction of the camp's participants—that were most important. About environmental protection. About the Bieszczady threatened by the growth of the Igloopol plant and about whether it is good to combine the positions of director of that plant and deputy minister of agriculture.

Caution, Men Working

But the first question was about Solidarity. Why is it not allowed to return to Poland's legal political structures?

"I am for pluralism when it works for the public good," said S. Ciosek. What does this mean? That in order to share fairly, it is first necessary to produce. Production is the element of public life that cannot be subjected to

disruption and disorganization. Indeed, political and social pluralism, for example, freedom to associate, are one thing, but a political struggle on the premises of the workplace is something else. In Western countries (S. Ciosek gives the example of the US and FRG) democracy ends at the factory gate; beyond it there is only production.

One could also answer another way. The most recent of the plant conflicts was the strike at the Rudna coal mine. It lasted half an hour. A major loss of production, yet how would it look if there had been another, competing union at the mine?

It was then that Z. Kuzaka said passionately, "Demagogy and dodging." He explained why he said this.

"It does not look like that at all from this side. After all, the worker did not start this politicizing at the lathe. Why did you not want to hear their side; maybe they were right?"

Were there no discussions with Solidarity? Yet to the government's proposal to consider taking steps crucial to healing the economy, the answer was a decisive "no." Solidarity did not want a partnership in the diarchy that existed at the time. Perhaps because in reality it had no economic program.

It is only today, after several years, that representatives of the opposition are coming to the conclusion that the government's program is not all that bad.

But Is It Useful Work?

So why do we find ourselves at this point of Poland's economic development? I believe I can summarize with this question two comments made by participants in the discussion. The first, from Z. Kuzaka, about workers who earn so little that it is barely enough to live on; the second, raised by Janusz Dziedzic, an instructor at the Biala Podlaska Youth Culture Agency, that the constitution guarantees the right to work, yet now it turns out that this work is unnecessary.

The first of these observations is particularly clever and plays on the emotions. (S. Ciosek: "I am paying back in kind: demagogy.") But the essence of the issue lies in the fact that work does not exist for itself but must bring concrete results, useful to society.

And that is not the case. S. Ciosek cites estimated data showing how the great majority of employees work unproductively. A significant majority of employees should be moved to plants where their work will be useful. And close useless factories.

How does one do this—with an order? One often hears the statement: Let the government do it so things are good. But decrees are not enough to overcome public

resistance. One has to talk with the people, explain and persuade them that there is no other way. It is not easy to explain this to someone who is affected by it.

Haste at the Top, Anxiety at the Bottom

In the discussion with Biala Podlaska youth, S. Ciosek admitted, as he said, to a "certain personal setback." As minister of work I was the co-author of plant compensation systems. They were supposed to give rise to the rule: pay as much as you want if you have the money, as long as it did not come from artificial price increases. This concept failed because conflicts started over why the metal worker at factory X should earn less than at plant Y. Now only the interdepartmental differential operates."

But the argument about public, grass roots conditions for reform was not easily accepted. Dariusz Zawadzki, a recent graduate in economics interrupted. The poor quality of the law, constant amendments to it, are extra costs of reform that are not at all incurred by the grass roots.

S. Ciosek: "In England a law can take up to five years to become effective. Before it is given its final form, simulated calculations, very arduous and complicated, are carried out. Time is driving us uncannily. Laws are passed in a matter of a few months. But what is better—to wait for new, perfect laws and do nothing, or introduce rules that we know in advance will be changed? I feel the latter is the more rational course. Under public pressure, a law on initiative is emerging at a rapid pace. I would bet my right arm that it will be amended within a year, only because there was too little time to correlate it with the dozens of legal instruments with which it conflicts and interrelates."

To Be of One Mind

So we come to the most important question, which determines the future direction and rate of Poland's development. A question of choices, choices of what is viewed as most important at a given moment.

Within this crucible of conflicts, different interests and convictions there is environmental protection. For many people the problem of dying nature and with it man is a contrived, abstract problem that pales in comparison to the housing shortage, for example.

"Let us do something before it is too late," cried Anna Kochanska of the General Secondary School in Miedzyrzec Podlaski, "because what will happen later—will we eat money, concrete, asphalt? One cannot yield to the majority and undertake actions according to their pressures if they are not right."

"To act on this advice, we would have to have the position of the Infallible One in the government; he could decide whose cause is right," someone added. So the drama of choice remains, a choice made by the public itself—a drama and at the same time a hard lesson in democracy.

"This was a discussion about the impossibility of certain things, about conflicts that cannot paralyze action," said S. Ciosek in conclusion.

This was agreed upon, this time without hesitation.

12776

Defense Committee Meetings in 5 Voivodships Reported

26000053a Warsaw RZECZPOSPOLITA in Polish
23 Aug 88 p 2

[PAP report: "Voivodship Defense Committee Deliberations"]

[Text] Voivodship defense committees deliberated. At Szczecin the sociopolitical situation in the voivodship was evaluated in connection with the continuing illegal strikes at the Port of Szczecin and the WPKM [Voivodship Public Transport Enterprise].

In addition, the current performance of the voivodship's economy was evaluated, with special allowance for the health service, trade, and the communal economy. The effectiveness of the introduction by the WKPM of substitute means of transportation in the city also was discussed. The actions of the Szczecin voivode to alleviate the strike-caused problems of the municipal economy were approved.

In Poznan the current socioeconomic and political situation of the voivodship was evaluated. Special attention was paid to the status of public order, adherence to law, and labor discipline. It was recommended that state and economic administration take immediate and intensive measures to assure adherence to legality, social discipline, and a smooth production schedule. The voivodship defense committee made the necessary decisions to protect law and order and counteract any eventual growth of negative social phenomena. All the institutions affecting the living and working conditions of the society were placed under the obligation of assuring the proper functioning of trade, urban transit, and all transportation services.

In Gdansk and Wroclaw the current sociopolitical situation in the region was discussed, along with ways of accomplishing the tasks transmitted by the Committee for National Defense.

On 22 August 1988 also was held a special session of the Katowice Voivodship Defense Committee to evaluate the socioeconomic situation in that voivodship, which is

being influenced by illegal strikes at some of the black-coal mines. A report on the status of security and public order was accepted. The following decisions, among others, were made:

- Rayon prosecutors initiated the investigation of cases involving illegal directing of strikes.
- As of 22 August, the Executive Order of the Katowice Voivode Concerning the Introduction of Summary Proceedings in Katowice Voivodship's Community Courts in Cases of Transgressions, as published in *DZIENNIK URZEDOWY WOJEWODZTWA KATOWICKIEGO*, No 7, is binding.
- The directors of all of the voivodship's economic organizations were placed under the obligation of assuring normal production conditions by resorting to all of their powers and resources.
- A number of other decisions intended to assure proper operating conditions in the voivodship were taken.

1386

Jelenia Gora, Walbrzych Defense Committee Meetings
26000139a Warsaw *TRYBUNA LUDU* in Polish
17-18 Sep 88 p 2

[Text] Voivodship defense committee meetings were held in Jelenia Gora and Walbrzych. In Jelenia Gora the defense committee discussed the idea of involving youth in managing custodial labor centers, and also appraised the activity of the superintendent of education and upbringing in specific aspects. In Walbrzych, the defense committee meeting appraised the sociopolitical situation as well as the state of law and order in the voivodship. The preparations for and progress of selection for basic military service were also discussed.

Skierniewice, Tarnobrzeg Defense Committee Meetings Reported
26000139b Warsaw *RZECZPOSPOLITA* in Polish
30 Sep 88 p 2

[Text] Voivodship defense committees held sessions in Skierniewice and Tarnobrzeg. The execution of defense tasks in certain enterprises and in the health care sector was appraised in Skierniewice. The committee also familiarized itself with the evaluation of the fire threat to buildings in the grain-milling industry. In Tarnobrzeg the defense committee likewise evaluated the execution of defense tasks in certain enterprises; it carried out an evaluation of work of the regional recruiting commissions and also discussed the sociopolitical situation, including the state of safety and public order in the voivodship.

Concept, Validity of Socialist Democracy Upheld
26000020 Warsaw *RZECZYWISTOSC* in Polish
No 36, 4 Sep 88 pp 1, 6

[Article by Ignacy Podgorski: "A Democracy, but What Kind of Democracy?"]

[Text] The countries of real socialism have fallen into a trap of contradictions, from which, for years, they have been seeking a practical way out.

Modern democracy is a government of people, citizens, based on law and the equality of all before the law.

In ancient times Athenian democracy was based on slavery and modern democracy in the Republic of South Africa, for example, is based on apartheid, or the lack of rights by the majority of the people, i.e., the Africaners and other coloreds, where the cheap labor force majority is prized by the white ruling minority. The model democracy is that of the United States, where slavery was abolished not so long ago (in 1865), in favor of a more efficient free hired labor force.

Modern civilization prefers full equality of citizens and their rights. This equality corresponds well with the great inequalities of citizens who are dependent on what they own. Those who own capital, have their free hired workers, have the same rights as the jobless and homeless. And as we know, equal rights among unequal people deepen these inequalities. When the French Revolution, 200 years ago, proclaimed equality of rights to its citizens, it made equality dependent upon ownership.

When individual rights are widely, although not too deeply, popularized, the fundamental right of an individual, guaranteed by all constitutions, even those of socialist countries, to private ownership, is ignored, and not without reason. This right is not as equal and universal as other individual rights. And in a modern democracy it is the most important right, because it enables the realization of other rights of an individual, and especially his freedom. Leszek Kolakowski, at the end of the first volume of "Main Currents in Marxism," expressed this very bluntly. An act of violence which does away with private ownership also does away with the need for negative freedom, or simply freedom (p 430).

That is the truth about a democracy that is divided into those who own private property and those only have the ability to sell their labor force, their knowledge, their talent, and even their body and their child, through completely free hire or contract. Along with capital, these are market goods, the object of money turnover. Money determines not only freedom and other individual rights, but also political rights. For example, in the United States, where every citizen has only one vote in the elections for the legislative and executive bodies, the person who donates money to manipulate the elections may garner many more votes for his candidate. Political

manipulation is nothing new. But only in a modern democracy has it reached the peak of its capabilities and developed a wealth of techniques for the utilization of the mass media, the arts, sports and recreation for the needs of political advertising, and for the development of public opinion research centers as ways of guiding this opinion.

But the effectiveness of political manipulation is connected with society's state of satisfaction. When, because of the large and increasing inequality of the possession of private property, the majority of citizens are well-off and the minority is living in poverty, then any kind of manipulation is extremely profitable. But when the majority of citizens are living in poverty, manipulation is not very profitable, means of pressure are more effective, and democracy gives way to despotism.

In a democracy, those social classes have a greater political influence which are wealthy or more affluent. These influences are supported by an expanded political manipulation, constituting the most important means, actually more important than the general national or local elections, which also, to a large degree, depend on the effectiveness of manipulation. While in the parliamentary elections the viewpoints, attitudes and political moods of the minority of society which participates primarily in these elections are decisive (in 1986, in elections to the U.S. Congress, only one-third of the voters participated in these elections—in Europe the percentage of voters is larger), the majority or larger minority participates to a very negligible degree in the political process and in the election of candidates to the parliamentary bodies.

Political pluralism is really not a pluralism of viewpoints, but a pluralism of interests, where the interests of the wealthy are articulated the best. Because in elections, mostly the representatives of the middle classes are elected, sometimes the very wealthy and less often the millionaires, the influence of the wealthy is exerted not just by the liberal entities, but also to a large degree by the nonparliamentary sphere. In the United States, this is the lobbying system, which is also known in Europe, but not on such a large scale.

Large capital, corporations and banks act in their own interest by means of transmission to all centers of authority. Although in the 19th century lobbies were already experienced in creating all kinds of pressure groups, in 1946 Congress passed a Lobbying Act legalizing the activities of powerful pressure groups, primarily an economic group, to corrupt the representatives of the government. This economic, therefore political, power of large capital also determines the policies of the party machines in the United States because in that country, as distinct from Europe, there are no political parties with large numbers of members, but an apparatus operates, particularly in the periods prior to elections, which

simulates the existence of a party in which political programs are replaced by overall guidance. The political election platforms serve mainly for the purpose of political manipulation.

That is how a democracy based on the power of money ranks equal citizens on the "to-have-is-to-be" principle. The intellectual dilemma of "to be or to have" is obvious. Such a system of democracy created the myth that a bootblack can advance to the position of a millionaire, and in today's times, to an inventor, e.g., in the field of electronics, who began with a shop in his garage. The tempestuous development of scientific and technical progress does not stabilize the division of assets in society, but the transition from a small producer, even with technical innovations, to a big businessman is really an exception. However, it supports the myth of the unlimited opportunities available to every citizen living in a free state of equality under the law. Great fortunes pass on through generations, with very little participation by those who were lucky enough to inherit them.

The stability of the democratic systems is not based on the political perfection of these systems, but on the efficiency of the economic system, which is based on the enrichment of the minority while at the same time enabling the majority to live from their labor, and not from stock market transactions, mostly in a constant state of sufficiency. Under this economic system, in countries which are just developing, the enrichment of the minority is not accompanied by a corresponding improvement in the living conditions of the majority, but by a lack of stability, and most of all, in employment; or by unemployment, which is the greatest burden to these countries. This causes political instability in these countries, a change from stable to unstable political structures, from parliamentary democracies to military dictatorships.

The battle of interests, and not just competition, inside the countries with a parliamentary democracy, and even more outside of them, takes on the features of political expansion. Nationalistic, chauvinistic, racist, and expansionist manipulation enters here, seeking all kinds of enemies. The conflicting interests of large corporations, including the supernational ones, are to blame for international conflicts, including military and interventionist conflicts. Thus democracy with its internal and external struggles, does not make for stability in the world, but for domination, the initiation of upheavals, and neocolonial subjugation in the form of military bases to achieve world domination. This is where the most developed capitalist countries collide with the socialist countries, thus creating a global threat with cycles of detente and Cold War situations. Global joint competition is camouflaged by quasi-ideological considerations, human rights, and other similar means of international manipulation.

Next year it will be 200 years since the storming of the Bastille, the prison which symbolizes feudal despotism, which does recognize the equality of citizens under the

law. These 200 years are not unequivocally optimistic. The enormous development of production forces, including, soon, the forces in space, science, arts, freedom and other human rights, does not balance the dark sides of modern civilization. Since 1914, many millions of free people, including thousands of victims of the atomic bomb, have died in two world wars. Just since World War II, 36 million people have died in local wars, land-grabbing wars, and liberation, plundering and wanton wars. This hectabomb of war, genocide and holocaust, uncounted human suffering, has not yet ended.

In the world of democracy and human rights, wealth is accompanied by hunger, extreme poverty and raging injustice. The young generation, even in a wealthy country, often does not know what work is, but knows what homelessness is. There is no way to justify a civilization of drug addiction, prostitution, including the prostitution of children, the narcotic, stupefying roar of show-business and stadiums, where people also kill themselves. This democratic civilization is risking the destruction of its own planet Earth, from which there is no escape. The dangers to the "homo" civilization, to which the adjective "sapiens" cannot be applied, which are increasing at avalanche speed and range from ecological to demographic disaster, all the way to the degradation of the human genetic system resulting in the sickness of civilization, from the wasting of limited natural resources to mad, unrestrained consumption, is a road which leads to nowhere, precisely under the conditions which prevail in a world of democracy. It appears that wars, killing, rape, the insane wasting of assets created by the extremely strenuous work of the people, is a form of human existence. Democracy has not changed much here, on the contrary—it has perfected the means of destruction so that it is now possible to destroy Earth. In the present age there has been no year without dozens of wars and local conflicts, although with foreign backing. Is it possible that this disastrous race to the precipice can be reversed? It is possible, but it is infernally difficult. The principle human right, the right to live, is still endangered. The early fruits of the disarmament agreement can be destroyed. A game is being played in the world, and it is not an innocent game. The global threats remain.

The 19th century socialist programs promised the people not only the right to work and be prosperous, but the elimination of the alienation of a person from the work centers by socializing the means of production, creating a government of the people and for the people, i.e., a true economic and political democracy. No democracy based on private ownership can do all of this, although it can ensure that in the most developed countries the majority of the people can be prosperous, with various limitations of human rights. But a large margin of poverty and unemployment remains, which is a source of alienation of the minority in the face of the prosperity of the majority. In practice, real socialism could not and still cannot implement these programs, either in the area of prosperity or in the area of freedom. What real socialism

could do is ensure work, although not highly paid, social security on a not very high level, and above all, it could raise the economic and cultural level of those countries which previously, with a few exceptions, were among the poorly developed. The real socialist countries, however, not having practical experience, became entangled in a web of dangerous and crisis-producing contradictions, from which they have long sought a logical way out.

The first model solution to the contradictions connected with the acceleration of economic and political development was the experience of the Soviet Union. After the period of postwar rebuilding, the drive for industrialization based on primary accumulation, and also on the basis of forced collectivization, it was supposed to supply the means for rapid economic progress, under conditions of wages at the minimum social level. This brought about an economic crisis, followed by a political one, in the 1930s. It was not the cult of the individual which was the cause of the crisis—that was its effect. The social crisis caused by advocating programs which placed too large a burden on the entire country was supposed to be solved by introducing methods which were not revolutionary but despotic, and the carrier of these methods was not an individual but a group of apparatchiks, a new strata of political, administrative and economic management. The contest with the political opposition inside the apparatchiks was a reflection of the contradictions in the search for a solution to this crisis. Despotism won out and used these same methods to defend itself in the face of the danger after the victory of fascism in Germany. On the eve of the war in 1941, 40 percent of the national income was allocated for armaments.

The Soviet model, therefore, did not contain an example of a democratic solution to the contradictions for those countries which after the Second World War entered on the road to socialism. The use of this model was not always a replication, because in different countries different methods were used in an attempt to adapt this model to different conditions. One feature of this model was quite generally implemented, i.e., the introduction of modifications to political despotism as the easiest way to solve the difficulties.

Real socialism, therefore, already on a world scale, was not a good example of freedom and other human rights, despite the undeniable economic, social, and to a limited degree, political achievements. The present transformations taking place in most socialist countries, and especially the political transformations, require that the democracy being discussed must be defined. The term "democracy" is lofty and contains a concept of economic and political democracy. Democracy suggests more than just human rights, pluralism, humanism, personalism, etc. It also suggests philosophical viewpoints of various kinds. In philosophical assumptions, socialism embodies almost all of these viewpoints. But practice is something else again. The question arises, does the multiplication of concepts really enhance socialist theory, even though it enhances the practice. Indisputably, these concepts are

similar to the existing forms and practices in capitalist countries, those with a developed political democracy. Not much more than that. As a matter of fact, what it comes down to is that socialism must really be socialist.

Compared to political democracy in socialist countries, socialism comes down to this: a socialist democracy begins with an economic democracy. Without economic democracy, socialism is unnecessary. The efficiency of a capitalist economy based on private ownership is indisputable. What is disputable is whether this efficiency is a goal or a means. For socialism it is a means, but for such a socialism which is for the people, for which the worker is not a labor force, a production factor. For capitalism this is unimportant. That is why the distinguishing feature of socialism is self-management in an economy which is owned in common by the people. Sophistries on subjects dealing with the future will be of no help here, because the matter here pertains not only to workers but to all employees and also to the disposition of those means which people will produce in the third or fifth scientific-technical revolution. Whether the means produced by the people and for the people will be at the disposal of the people, or those forces which enslave them.

That is why during all deliberations on the course of the changes, the matter of the self-management of the working people is not out of place in a parliamentary democracy, a territorial self-management, etc. Self-management in the spiritual and materials-producing area determines whether a given structure is really socialist, because the material means which help to develop all of the conditions of social and individual life are really socialized, and not nationalized. The opinion that it is not important to people and society whether a given structure is socialist or not, is the same as saying the following: "It is not important whether a cat is black or white, as long as he is a good mouser." As a matter of fact, this opinion assumes that a white cat is a better mouser. What is important is that a given structure best serve the people, their welfare and their freedom. We learn the truth about the ravenous nature of modern capitalism, with its incalculable consequences (see above).

There are also a good number of these advocates with a ravenous nature among us. These same people say at the same time that there is a need for immediate humanization of socialism. We must cite for them part of an interview with the CC secretary of the Hungarian party, Janos Berecz, in the Italian LA REPUBBLICA (13 April 1988): "Restructurization is proceeding very slowly. Unfortunately, socialist humanism is too strong and impedes modernization." In other words, there are two humanisms: the bad socialist humanism and the good capitalist humanism. In the same interview, Berecz expresses the view that "we must now stop and consider to what degree this or some other ownership corresponds with the interests of society." In a word, who catches

mice better. Instead of conducting long, endless discussions about increasingly more radical reforms, for which there is not too much time, we should perhaps decide on the white cat.

Because this concerns Hungarian and not Polish reform, we should go forward, i.e., not wait for the results of contests between state ownership and private ownership, and transfer the state ownership into the ownership of the self-managements of enterprises. And not into a sham ownership as in Yugoslavia or in Poland, but in a "group" ownership, which will "lease" the state ownership and then pay the state the value of the ownership over a period of 50 years, for example. It is no secret that a real workers' self-management is the takeover of state ownership and responsibility for it by the economy, by self-managing enterprises. Further delay in taking this truly revolutionary step will lead to the same state of affairs as represented by the Yugoslavian economy. This economy has the highest rate of inflation in Europe, and also almost market balance, one million unemployed out of a population of 23 million, one million guestworkers, who, it is estimated, saved approximately \$20 billion (that is the amount of the Yugoslav debt) plus credits arranged by the World Bank and CEMA (most recently a huge couple-million dollar credit from the FRG).

Although communal ownership was instituted recently in Poland, cooperative ownership has existed for a long time, and private ownership is developing rapidly (it is the largest, in total, among all socialist countries), ownership by enterprise self-managements would have the greatest impact, qualitatively, on the country's economy. The enterprises which are of clearly strategic and defense importance would remain in the hands of the State. In anticipation of the question to what type of production ownership the State would have to provide additional financing, I reply as follows: To the private economy in agriculture, which is subsidized both in the United States and in the CEMA countries. The State will guide the national economy with the help of economic mechanisms and planning methods. The State, no longer involved in exercising supervision over enterprises, will help those enterprises which are faltering and will give them assistance in their attempts to avoid insolvency. And perhaps the workforces will divide up the ownership in common and set up small enterprises so that there is no large-scale unemployment. This looks like another utopia, say the technocrats, who do not believe in workers' self-managements. They will believe it when self-managements employ managing directors and other technical and economic personnel through real and not sham competitions.

Will the enterprise workers' groups, led by socialist managers, be able to cope with lease arrangements, followed by self-management ownership, in an economy based on planning as well as on economic mechanisms, including market mechanisms? And do the present reform measures, which were guaranteed for a period of 3 years, provide a guarantee of success? Long-term

leases, agencies, separate brigade partnership systems—all of these are only palliatives. What will have a better chance at succeeding is an unbureaucratized cooperative, with shares owned by members. But this is an alternative to the self-management ownership system by state enterprises, which must go through a leasing period because society does not want to give costly presents, in the form of assets which belong to all of the people, to workers groups. But what still remains is to give such a present to private enterprises, and they do not give a long-term guarantee of universal prosperity, either.

Recently I read the work of R.L. Heilbroner, an American economist who represents an economic theory whose most distinguished contemporary advocate is J.K. Galbreath. The title of the book is, "The Twilight of the Civilization of Business." The belief that the civilization of business is able to ensure social welfare is beginning to falter, says Heilbroner.

To the question asked in the title of this article: A democracy, but what kind?—the following summary reply can be given: A capitalist democracy is based on the fundamental right of the individual to private ownership, and a socialist democracy is based primarily on joining people with the means of labor, comprised of common, public, self-management, cooperative, etc., ownership. Private ownership in a money-market economy is supported primarily by its owners as a source of labor. Freedom, humanism, pluralism and other individual needs and rights, may be implemented similarly or differently. In any case, socialist programs, since the beginning of time, favored the full development of the individual in a collective society, and here is where they have approximated the great religions. Socialist reform cannot be a harmonious combining of the negative features of socialism with the negative features of capitalism, but the combining of the positive sides of both. Real (or surreal) socialism has already assumed many of the negative features of capitalism and continues, willingly, to assume them. One of these features, assumed long ago, is the use of manipulation, a standard product, very effective in the political guiding of society, an excellent substitute for the truth. An authentic case: The recently posthumously rehabilitated Karol Radek, at a meeting of the Comintern, smoothly translated the speech of a representative of Africa. Asked where he learned the African dialect, he replied: "I don't know it at all, but I know what this speaker should have said."

And another recently posthumously rehabilitated person—Nikolai Bukharin. In a book published in Poland in 1927, titled, "Theory of Historical Materialism," he wrote: "If Vilfredo Pareto is correct in saying that changes in society consist only of the rotation of the elite, then the socialists will win, but socialism cannot win."

Problems, Demands of Farming Sector Outlined
26000017 Warsaw POLITYKA in Polish
No 36, 3 Sep 88 p 6

[Article by Lucja Klos, president Gmina Association of Farmers, Farming Circles, and Agricultural Organizations in Zary]

[Text] The unfavorable ration between prices for the means of production supplied by industry to farmers and prices dictated to agriculture by the state for farm products has produced an enormous deterioration of already less than ideal economic and financial conditions in the villages.

This is confirmed by the deceleration of agricultural investments, especially in inventoried construction, decreased purchasing of machines, dwindling interest in expanding farms and abandoning use of bank credit.

In my region, all this is producing negative effects, manifested in the decreased scope of cattle raising and therefore, a diminishing milk supply. There is also regression in hog raising, a lack of interest by young people in taking over farms from their parents and a decrease in purchases of land from the State Land Fund [PFZ]. On the other hand, the number of applications for turning over farms to the State Treasury in return for pension benefits is increasing. (From 1984 to 1987, 226 applications were filed in Zary; in the first half of this year, 74 applications have already been filed.)

The amount of uncultivated or poorly cultivated land is increasing. Of 1,317 PFZ hectares in Zary gmina, 470 hectares are uncultivated. Applications from farmers to relinquish rental contracts are also being filed generally. The reason for this is unprofitability and the heavy tax burden, comprised as follows: for one hectare of arable third class land, the agricultural tax is 6,000 zloty; rent, 5,830 zloty; the farmers' social security on land, 3,480 zloty; the farmers' social security fund per person, 12,610 zloty. That is a total of 27,920, to which must be added the value of fertilizers purchased, the prices of services and the value of labor. In the first half of this year, the gmina office in Zary received applications to dissolve 60 percent of the rental contracts.

Individual farms are not satisfied by price increases for agricultural products, namely that in July grain prices were increased by an average of 11.6 percent, cattle by 17 percent and hogs by .15 percent which, in relation to prices for feed—which increased by 70 percent—does not compensate the farmer for costs incurred.

The basis for payments for water also raises doubts: last year the villages paid 21 zloty per cubic meter; in the first half of this year, 26 zloty. For the second half of this year, it is set at 34 zloty, yet it seems that agriculture should

have a discount on water because it is an important element of production in farming. I still do not understand why a city dweller pays 8 zloty less for water than a rural resident.

Farmers are bitter about information on price increases for spare parts. For weeks information was broadcast via radio and television that the increases would amount to 38 percent. But the truth is that bearings rose from 167 to 375 percent, tires from 131 to 250 percent, Bizon parts from 125 to 405 percent, wedge belts from 172 to 395 percent, tractors from 139 to 343 percent and electrical fittings by 524 percent. To top off these increases for spare parts, I cannot fail to note that gaskets have increased by only 969 percent!

The increase in fertilizer prices (by approximately 90 percent) means that there is now a lack of buyers for fertilizers. The farmers do not have money; they are not taking loans because of high interest rates and instead of being on the farmer's field, fertilizers are being warehoused.

Generally, one must say that everyone has been authorized to apply price increases—except farmers.

Current credit policy can also lead certain enterprises that service agriculture to a very difficult financial situation. The purchase of fertilizers or other resources is seasonal in agriculture, but these resources must be for sale and in warehouses continually, which creates the existence of reserves, for which the bank demands high interest rates or does not grant loans at all. This occurred recently in Zary. The bank's setting things up this way may mean that gmina cooperatives will not have the financial resources for their operation, which is reflected unfavorably in agriculture. The cooperative is abandoning buying the means of production necessary to agriculture in order to avoid negative financial consequences, and it may be that there will be means of production in Poland while at the same time there will be none.

The phenomena I have summarized briefly are already being felt on the food market and thus may generate far reaching consequences that are hard to foresee today.

In order to forestall or even eliminate these destructive consequences and their causes, I suggest first taking into consideration a fair distribution of goods between the city and the village because the present one humiliates farmers in certain instances in relation to other social classes.

Coal, for example, which is also a means of production in farming; it is not enough that it has increased in price by 300 percent, it is also unfairly distributed for living purposes. A worker received four tons, including coke, while a farmer gets an annual allotment of 1,300 kilograms, with no right to receive coke.

Has anyone in the government considered whether the allotment of leftovers—because that is what they should be called, literally—which the farmer receives for a

delivered unit is enough to produce it? Can no one in the Ministry of Agriculture divine a farmer's annual allotment by the number of days? From a simple calculation it is apparent that the farmer receives 3.5 kilograms of coal per day for living purposes, from which he has to prepare meals and heat his dwelling. Fuel for the villages, rough coal, is also a fundamental element in animal production. One cannot look for reserves and conservation at the expense of farm production, because this may cause regression and be the reason for irreversible changes in production. If we must conserve, then let it be in the entire national economy.

At the municipal fuel depot in Zary coal for the current year was being sold. Anyone who wanted it could buy it. Right now the municipal depot has no place to keep it—there is literally no room. But what is happening at the gmina cooperative fuel depot? All villages have been informed that not one kilogram of coal for the current year will be sold until 30 September. Arrearages are increasing and what will happen in October? The same thing as last year when we stood waiting for coal for three or four days while the cold tormented us? People stomped, ran around, cursed everything in our country, saying that once again the farmer was being oppressed, probably because he was selling the state too much food and milk.

The goal of the second stage of reform is for Poland to get out of the crisis, but agricultural policy is not conducive to these assumptions, since price increases for farm products did not halt the decrease in production or the flight of young people from the villages but, on the contrary, the situation is worsening. Rural youth are not interested in staying in the villages; they are looking for easier, better paying work in industry. The farming profession is becoming unremunerative and if the government does not change current agricultural policy, then soon we will be struggling with a shortage of food in Poland.

A worker, whether he works well or not so well, receives a protective supplement to his wages of 6,000 zloty. And the farmer? Where is that 6,000 zloty for him? We all know—he has to work for it!

With such conduct by the government, we will not improve living conditions in the villages and we will not increase production. And so the sore spot of our agriculture is young farmers' turning away from it. It breaks the hearts of older farmers and they look with sadness at the hard earned achievement of their lives which, unfortunately, their children scorn.

The Polish farmer did not strike. At the worst times he took his plow in hand and cultivated his land. The government should not burden individual farming with the costs of the crisis. We remember the 1970's when, beginning with central government and ending with village authorities, we walked around with reports claiming that the crisis began in agriculture. The farmer

believed this. Pledges were signed for raising calves, heifers and hogs. I have in my possession a newspaper with a lovely headline: "Lazy Agricultural Committee: The Initiator of Commitments."

Today, we stood again before the barrier and they are trying to tell us that again the crisis started in agriculture, except that the young people are not going out with reports, because they are a new generation, while the older activists do not want to, because farmers have stopped believing. Now they are asking questions.

I quote a question that came up at a meeting of a farmer's circle where the issue of an increase in pig and sow breeding was discussed: "How many times are we going to clean up this country?"

In order for agriculture to exist and feed the nation, the following conditions must be met:

- The farmer's work must be appropriately compensated—through the prices used for agricultural products—to assure the cities necessary agricultural materials.
- It cannot be the case that the farmer works 16 hours a day in agriculture and has a lower income than an employee of other areas of the national economy for eight hours of work (let us add that the worker gets his workplace free, while the farmer has to buy his workplace. Besides this, the farmer has to have resources not only for consumption but to develop his farm).
- Increases in prices for the means of production must be offset by price increases for farm products.
- Loans, as one of the important elements stimulating the development of agriculture, must have low interest rates.
- Since the government sets prices for agricultural products, it must also closely control prices for the means of farm production.
- One important issue is the problem of improving village social and living conditions, which do not always depend on village residents themselves, because there is neglect that is nearly centuries old here.

To keep the most industrious people in the village, because only they can solve the problem of feeding the country, they must live under conditions that do not stray from those their colleagues in the cities have, namely:

- the issue of developing transportation, installation of rural telephone systems, water supplies, improvement in rural retail trade
- the supply of bottled gas; there is gas in the GDR, but here either there is no gas or there is a shortage of bottles, and so it goes.

We realize that no one but the farmer feeds the country. That is why I would like to live to see a clear program for the development of the villages and agriculture.

12776

Farmer Delegates Club Proposed for Sejm
26000139d Warsaw RZECZPOSPOLITA in Polish
28 Sep 88 p 2

[Article by (jesz.) under the rubric "Meeting in the Sejm": "Initiative To Create a Farmers Delegates Club"]

[Text] Immediately following the completion of the Sejm [parliament] plenary discussions, Roman Malinowski met with farmer delegates as well as with activists of the National Association of Farmers, Farmers' Circles, and Agricultural Organizations [KZRKiOR]. They informed Sejm marshal [Malinowski] of their intention to create a [Sejm] club of farmer delegates, members of the KZRKiOR union.

Such a club would better represent the interests of the countryside and of agriculture in the Sejm forum, as their [farmer delegates] long-term experience points to a recurring lack of appreciation on the part of the government toward them, which later brings on obvious economic, social, and even political harm. The successive repeat of such unconcern occurred again in recent years, resulting in a decrease of profitability of agricultural production and in the collapse of the generational continuity in the villages, which, taken in perspective, threatens [the nation] with a decrease in food production. Meanwhile, agriculture and the food economy could have become a driving force in the Polish economy, under the condition, however, that they be better equipped, and the economic system will create the motivation for an increase in production.

Roman Malinowski stated that the initiative of creating this club, strengthening as it would the institutional position of the farmer delegates, could prove to be useful to the Sejm, in addition to which it would promote a faster resolution of the problems of the food economy. Malinowski acknowledged the most important of these problems to be the profitability of agricultural production, changes in the structure of the economy for the benefit of agriculture, as well as setting up the circumstances to fit the growth of food production.

ROMANIA

Writer Buzura's Work Placed in Context
27000005 Bucharest ROMANIA LITERARA
in Romanian 29 Sep 88 p 8

[Article by Mircea Iorgulescu: "The Writer and His Time"]

[Text] In the past few years, a good number of the most important modern Romanian writers reached the 50-year milestone. The latest to arrive is Augustin Buzura

(born on September 22nd 1938). Oddly enough, at a literary point in time dominated by the fever of classifications based on strictly temporal criteria—"classes," "generations," "series," etc.—this coincidence has gone relatively unnoticed. Of course, according to an equally waning tradition, each had a retrospective article written in his honor, a "profile" as it is known in journalese, or even more than one; rarely, however, if at all, were these portraits, however accurate, conceived and placed within the context of a more general literary development. But we need perhaps to do so, if for no other reason than to recall a few truths that, although known, are sometimes ignored. The most representative and secure of our modern prose from the viewpoint of established and incontestable values was overwhelmingly created by these writers, who have reached their full artistic maturity. Without exception, they projected themselves into the public awareness through works written and published toward the end of the 1960's and beginning 1970's. Most of them had made a promising debut a few years earlier, even 10 years earlier, but without directly and utterly rejecting the norms of the "one and only method of literary creation." However, they fully defined their personalities, discovered their resources, and put them to use, no longer inhibited by preset prescriptions and formulas, only at the time of the change in the literary and cultural climate, which was decisively influenced by the political and ideological opening up and rejuvenation that occurred toward the middle of the 1970's. Their support for the new spirit took the form of a triple aesthetic, moral, and intellectual restructuring of the creative process. The differences between their first works and their present books did not occur in a linear, predictable progression that would have happened anyway, in any conditions. At that decisive moment they assumed responsibility for both the present and history, as well as for their own destiny, and that had inevitable, deep, and radical implications for their work. The rigid conventions of a literature consisting of nothing but facade and "mystifying casts," according to A.E. Baconsky's formula, had publicly fallen into desuetude and a new manner of writing was needed. In the final analysis, the artistic precariousness of the preceding era had been the specific consequence of a dogmatic pact according to which reality existed only as the embodiment of certain simplified abstractions. Thus, the struggle against aesthetic molds and preset patterns was only the visible and purely literary manifestation of another, incomparably more difficult and larger effort aimed at genuinely involving the writer in life and history. The solutions and answers fulfilling that need can be seen everywhere in the works of the professional writers of that time, because it was a need that could not be ignored. They all bear its mark, however individualized.

In the case of Augustin Buzura, whose first novel, "The Absentees" (1970), succeeded two collections of short stories that heralded a talented writer without, however, indicating the direction and scope of his talent, the issue of a new pact with the continuously changing reality

acquired a very explicit, acute, and sometimes pathetic form. In time it became an obsessive preoccupation and the structural theme of his art and orientation. "The Absentees," the book that placed Augustin Buzura at the forefront of Romanian postwar literature, can today be read as the novel of a feverish and tenacious inner search carried out at a tension of ethical and intellectual involvement that reaches the incandescent level of purifying exhaustion. His troubled confession and self-analysis leaned toward the only possible liberation through the direct, frank, and open expression of truth. Although it seemed surprising, the realistic formula used by the writer in "The Faces of Silence" (1974) was justified by the epic subject matter of that powerful and massive novel; the submergence into the past, a dramatic and irreversible past, designed to bring to light not so much facts and situations that had been banned until then and were now exploited for spectacular effect, but a certain feeling of life and a collective state of existence, could not be undertaken with the same means as the investigation of individual awareness. Nevertheless, while "The Faces of Silence" was primarily a social novel, in it Augustin Buzura did not abandon either the psychology of the abyss that was the dominant epic reality of "The Absentees," nor the historical and moral reflection, which in both books were personalized and conflicting, rather than being reduced to comfortable generalities.

In a way, that novel constituted the pivot of his evolution, because from that point on it became increasingly clear that for Augustin Buzura literature did not mean just literature, but was, as he unequivocally stated in an article, "the ideal means of understanding." In that sense, the great books have proven, he added, "that everything is possible, that there should not exist any untouchable subjects or areas unsuitable for investigation, any areas of knowledge that the writer must cross without gaining anything for his writing." Literature implicates, it is a "testimony," the written word carries weight and expresses the assumption of a moral and intellectual responsibility in the domain of art. Talent does not eliminate the writer's responsibility but it presupposes it; the creative act does not close upon itself with the hope of an illusory absolution, but on the contrary, it opens up to the world and to people's lives.

It was in that spirit that Augustin Buzura one decade ago pleaded for "the need for justice, for truth, and for novelty," and characterized that need as a necessary, constant factor in contemporary literature. "The tendency to examine man and society from all the angles, without inhibitions and reservations, that is to say, to highlight both the noble traits and intrinsic gains, as well as the unpleasant aspects, degrading elements, shortcomings, and inhuman burdens is becoming increasingly felt in the prose of the recent years and especially at the present," he noted, and added: "I think that it constitutes a reflex reaction of the general and natural need for justice, truth, and novelty. Because only the strong have the courage to look at themselves openly and honestly and to accept the truth as it is, not as they would like it

to be. People have traveled a long and difficult road that was not free of accident and searches, and they are obstinately interested in their own fate. They want to know what was lost, what was gained, what they are, and how they are. In fact, this passion for justice and humanity and this deep examination of their conscience from an active, psychological, and philosophical perspective are constant elements of our authentic literature, and I think that the word authentic should always be stressed. The success of this 'search' depended, and today more than ever it depends on courage, culture, talent, and perhaps on professional responsibility above all." This stand was not so much an encouragement addressed to others, but the confession and search of a creative process marked by the obsessive need for the moral involvement of literature and of the writer.

Augustin Buzura's prose was increasingly marked by ethical aspirations; they were constantly present in the narrative worlds of "Pride" (1977), "The Voices of the Night" (1980), and "Havens" (1984). However, the presence of those aspirations had a strange effect: although it generated specific themes and an original epic process, it was more than once unobtrusively rejected, viewed as superfluous, and attributed to a certain outmoded ethical approach explained away as one of the traditions of the Transylvanian literary manner. While its existence is indeed incontestable, the "Transylvanian vein" of Buzura's writings does not account for all his characteristics and most of all, it is not a factor of aesthetic conservatism, as it has been sometimes implied. In reality, these novels, particularly "The Voices of the Night" and "Havens," have contributed many and vitally new elements to Romanian contemporary literature. It has been noted, for example, that in "The Voices of the Night" the writer attempted to massively introduce an original linguistic world into the literature, mostly derived from oral expressions and familiar language. That tendency was repeated, in fact, in "Havens." Although the authenticity of that language is above suspicion, one must nevertheless note that its role cannot be evaluated without taking into account the subject matter of those two novels: the change and deformation of personality as a reflection of what the author calls "psychic death," which extends to language, too. Not surprisingly, Augustin Buzura rereads Caragiale from the perspective of tragedy; he notes that "his characters, so diverse and individualized, provide a comical decor that hides behind its pain, fear, brutality, and sadness," because "however much laughter it may elicit, a rudimentary, fake, and deformed world is still built on tragedy and on a cruelly bitter taste." Similarly, the interest for the quotidian, for characters with "common biographies," and for "insignificant people," an interest that provides one of the most prolific orientations of contemporary literature, cannot be analyzed without taking into consideration Augustin Buzura's novels, which in fact have been pioneering the literary effort to retrieve daily life and unvarnished human traits. An involved literature, a literature of involvement: with this expression belonging to Camus, an

author that Augustin Buzura often and understandably cites, this literature draws its powerful inspiration from the writer's continuing aesthetic and moral effort to be of "his time."

12782

YUGOSLAVIA

New SAWPY Chief Interviewed on Special Elections

28000018 Belgrade NEDELJNE INFORMATIVNE
NOVINE in Serbo-Croatian 2 Oct 88 pp 8-9

[NIN interview with Bozidar Colakovic, new SAWPY president: "Special Elections—Immediately!"; date and place not given]

[Text] Bozidar Colakovic is not only the new president of the Federal Conference of the Yugoslav Socialist Alliance, but also a completely new figure among the top-level politicians. Almost overnight, he has become very interesting to the media, above all because of his recent statement indicating the possibility of new special elections, from the federation to the opstina.

Consequently, NIN rushed to be the first to get an interview with Colakovic, in which our interlocutor, in addition to discussing the special elections, also answered questions about "freeing" the Socialist Alliance from the LC, rallies, denunciations, resignations, and Kosovo, where Colakovic lived for a long time and was a rector at Pristina University.

[Question] More and more is being said about special elections. Is it even possible for them to be organized in the same way they were in the past? Does the expression "special" have the same political slant here as in other situations where the word is used, since we are now in a situation in which the word "special" has a negative connotation?

[Answer] There were no previous discussions within the bodies of the Federal Conference regarding the possibility of organizing special elections. I raised this issue, as my own personal idea, at a meeting of our Presidency. I was encouraged to do this by certain demands from different circles. I think that we should seriously discuss this issue, as one of the alternatives for getting out of the crisis; and that we in the Socialist Alliance, as the delegate base and the organization responsible for all electoral activities, affirming its constitutionally established control function, should weigh all of the arguments for and against this alternative.

When we speak of special elections, I am clearly not thinking of elections in accordance with the current constitutional solutions. The main thing is that the draft amendments have taken a step forward in democratizing the electoral system, and it has been accepted that there can be several candidates.

People are viewing special elections as opportunities to give recognition to new personnel. I sometimes wonder how the urgent question of personnel renewal can be accomplished. Some of it, of course, can be done through natural personnel turnover. But what then? We cannot hide behind the collective responsibility of the collective leadership. We cannot think that the length of a term is sacrosanct.

At our meeting of the Presidency, the question of the program with which we should go into the new elections was raised. I think that we do not need any new programs in these elections, except for the recovery of the Yugoslav economy, and of the entire social and political superstructure on that material basis. And that is nothing more than achieving the goals of the Long-Term Economic Stabilization Program and the completion of the already initiated reform of the Constitution, the country's political and economic system. I believe that the Socialist Alliance, in assessing the arguments, has an obligation to accept or reject this initiative, but an answer has to be given. We cannot cover it up with silence and thereby remove it from the political scene.

[Question] They say that a recall is very expensive?

[Answer] It is expensive and complicated. Now it will be simplified. Why wouldn't it be? No, one cannot wait for four years and then determine whether someone has been effective and successful or not, when his term is up. That is an irony and a political farce.

[Question] The politicization of the masses has been discussed negatively. Perhaps the politicization is of positive value for us?

[Answer] Completely. It is precisely these mass gatherings and political upheavals which should be a big warning sign to all political organizations in our system, and above all to us in the Socialist Alliance.

I view the gatherings as a conflict of accumulated political tensions which the bureaucratized apparatus of the political and state authorities cannot articulate and guide in a socially positive, creative, and constructive manner.

Their greatest political potential lies precisely in the fact that it has become clear to all citizens of Yugoslavia that there can be no internal stability in this country unless the political situation in the republic and in the autonomous provinces is satisfactory.

[Question] The Socialist Alliance has been considered only an extension of the party, and for the most part, it has been. Now, for the first time, the Socialist Alliance is an extension of the people, both in Slovenia, in Serbia, and throughout Yugoslavia. What is the reason for this new ascent, as one might arbitrarily call it, on the part of that sociopolitical organization?

[Answer] I think that the people outpaced the Socialist Alliance. They provided that initiative. The people want a place where they will gather and be heard, and where else, if not in the Socialist Alliance?

I do not want to defend the Socialist Alliance. It is still a limited organization for the people. All of the leaderships of the Socialist Alliance are still composed of LCY members. It cannot stay that way much longer. It cannot, because if we want an organization like a popular front, then we have to elect the leaderships differently. The leadership has to be a reflection of the structure of the base. That should not be a problem when we have a large number of patriotically disposed, constructive, capable, and highly educated citizens. Why shouldn't they be in the Socialist Alliance leaderships? It is illogical that, for instance, not one single Socialist Alliance president in Yugoslavia, from the opstina to the federation, is a nonparty member.

[Question] Is the Socialist Alliance, however, still under some sort of patronage by the party?

[Answer] Naturally, when you are so identical in terms of personnel, you also become an intermediary to some extent. That is not the case in all Socialist Alliance leaderships, however. The closer the leadership is to the base, the less it is an intermediary for the party, and the more and more genuinely we try to express the different interests of all strata of our society.

With some experience, we attempted to change our structure and organization, so that we would no longer be a sort of parapolitical party which would serve the state and party by carrying out their tasks. You know, not everything is in the political system and not everything is feasible only through delegates. There are also vital needs, and we try to play a role there, and to fulfill them. In the area of the political system, we are trying to contribute to full democratic and open expression of the political interests of all working people, but also of our republics and provinces.

As a result of all this, the Statute has been changed, and the program goals of the Socialist Alliance have been changed, so that we ourselves now already have a democratically adopted organizational basis for conducting ourselves more actively in every sense, i.e., playing a greater role on the political scene, but also in people's lives.

[Question] Before the rallies, it was as though we did not even know that the people had a right to hold rallies.

[Answer] Yes, we behaved the same way toward strikes at one time. We also declared strikes to be unacceptable, unfounded, etc., but then we slowly adjusted and now we say that workers have a right to strike.

[Question] The Socialist Alliance of Yugoslavia has potential that has not yet been utilized, but perhaps it would be if the relationship between it and the LCY changed.

[Answer] It is significant to us in the Socialist Alliance that one of the first topics at the meeting of the Presidium of the LCY Central Committee after the election of the new leadership was an examination of the LCY's attitude toward the Socialist Alliance. Now it is our turn to examine and assess the involvement and work of LCY delegates in our bodies and forms of activity.

[Question] What do you think about "denunciations"? What is your position on them?

[Answer] One has to respond to a denunciation. One has to refute or acknowledge a denunciation in a documented, well-reasoned manner. One cannot have so many people being denounced with none of them saying anything. Both they themselves and the forums in which they are active must give responses. They cannot defend themselves with the authority of the forum.

Consequently, one must have courage, and naturally, strong arguments. If someone denounced me, I would answer him. That is a democratic right. Denunciations are made throughout the world; people denounce heads of state and government. That is part of the public nature of the work, personal responsibility, and political ethics.

Among other things, it was said at the meeting of the Socialist Alliance that the country's highest leadership has not performed its duty. And so, we denounce them. We also expect them to say something about their work. If they have done their duty, then everything is fine, there is no denunciation. Here a denunciation has to be understood critically. If a denunciation is not well founded, however, then we think that it is also necessary to say something about the political responsibility and every other kind of responsibility of those doing the denouncing.

[Question] With respect to Kosovo, are there differences in assessing it within the Presidency of the Socialist Alliance?

[Answer] We know that 1981 did not represent a spontaneous revolt, but rather a counterrevolution that had been prepared for many years ideologically and practically, within the framework of the Yugoslav political system, but nevertheless concealed from the eyes of the public. We spoke with severe pain about the responsibility of individual senior political leaders in Kosovo. The roots of this problem go extremely deep, and now, when numerous gatherings have shown that there are forces which can give a new scope to resolving the Kosovo problems, we cannot stand still. We have to turn the

strength and demands of the masses into action. We have to turn toward mutual familiarization, opening our areas up to Kosovo, but also opening Kosovo up to Yugoslavia.

[Question] You have already resigned once. You consequently have a kind of experience in that. What is the problem with an official giving his resignation today?

[Answer] We have had a few resignations. We will probably get into a situation in which now, with the new elections and the more acute issues of responsibility, we will elect as many people as possible who do not make their living from politics and only live for politics, and who have other ways of working and supporting themselves. This means that those people will be more economically secure, more open to objective criticism of their own work, and even to leaving their posts, or resigning.

[Question] Does this mean that these new times will impose a completely different model for politicians, and in your opinion, what should it be like?

[Answer] I think that we have to look at every Yugoslav politician primarily in terms of European conditions, and only then in terms of Yugoslav conditions. Let us not forget that our domestic politics and situation are of interest to Europe—both Western and Eastern Europe equally. Our politicians must bear within themselves the tradition of European democracy and the communist ideals of humanism and the struggle for the rights of all men. Their responsibility and the emphasis in their everyday actions lie in the fact we are a relatively young multinational state, and that in addition to all the classic problems of state administration, we also have to add differences in our understanding of interethnic relations.

Consequently, a Yugoslav politician must build the trust of his people and the Yugoslav community on the basis of honesty, openness, a critical approach first toward oneself and only then toward others, cooperation and willingness for political dialogues, for the formation and defense of Yugoslav interests, but only as a result of the coordination of the interests of all parts of our federation.

[Question] What do you think about the so-called new populism?

[Answer] Populism is still a strange expression to me. At one time we spoke about the strength of the masses, and about the political enlightenment of the masses. It must be clear to us that such a great politicization of the masses is a response to the pressures of the economic and social crisis that people are suffering in their daily lives. We have changed a lot both in the economy and in the Constitution, but just one element is still missing—concrete results from the changes. Living better, and having a more stable political life and a more stable outlook for the future.

We in the Socialist Alliance are willing to talk openly about everything with everyone, even those who do not view our system favorably. You have to accept discussion; if you want to be a democrat at all, then you do not have the right to say that you will not talk with someone.

[Question] It is not very popular to be a politician today, but does a politician in Yugoslavia necessarily have to be unpopular?

[Answer] The problem is whether it is possible for a Yugoslav politician to be popular, and how? And is that important? If popularity expresses, among other things, the people's trust in those who are in responsible positions, then it is important. How can one conduct political affairs well without the trust of the people? It is not possible to have the absolute trust of all the people, however, since people's expectations and interests are different.

We can also talk about popularity as a side effect, which cannot be ignored, but cannot hold first place for a principled, honest political person.

It is obvious, however, that we have to affirm a new practice—going before the people and giving them an accounting, more than in the past and differently.

The most important thing is to permit the people to have their say about their representatives. And that requires willingness, differently than in the past, for us to give up political office when the people demand this.

At the present time, a new phenomenon is appearing—politicians win popularity and keep it only in their own areas. That may already be disturbing as a phenomenon in political life.

[Question] Do you think that the 17th session of the LCY Central Committee, like the previous one, should be open to the public?

[Answer] Absolutely, and not just the 17th—all of them.

[Question] What do you expect from the 17th session?

[Answer] I think that too much is being expected, and I am afraid of that great expectation. I expect much more from what we will do after the session.

Background of Comintern's 'Anti-Serb Bias' Sketched

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NOVINE in Serbo-Croatian 16 Oct 88 pp 28-29

[Interview with Dr Ljubomir Tadic, professor, by Luka Miceta: "The Errors and Injustices of History"; date and place not given]

[Text] The prewar history of the CPY is especially interesting partly because of the many things which have not been researched, partly because of the significant errors which are being concealed....

Thus, recently, Stipe Oreskovic, commenting on Slobodan Milosevic's interview with NIN, said that the chairman of the Serbian LC Central Committee "is not familiar with the history of the communist movement," since when asked a question about the establishment of the Serbian CP, he answered that he did not know why a Serbian CP was not established at the same time that the Croatian CP and Slovenian CP were established, since the conditions did prevail for establishment of a Serbian CP as well. This seemed improbable to Oreskovic. He immediately took pains to demonstrate Milosevic's "knowledge" with the words: "It is still more unlikely when one knows that Josip Broz Tito offered an explanation for that decision in PROLETER as early as 1935."

However, Oreskovic or whoever wrote that for him or delivered it to him should have known that that article was not written by J.B. Tito, but by Blagoje Parovic. Why was a Serbian CP not established at that time, and what are the reasons for such a drastic falsification of history? Was this on the line of the Stalinist-Comintern treatment of the "Serbian question," we asked Prof Ljubomir Tadic, who spoke to NIN about the relations among the Comintern, the CPY, Yugoslavia, and Serbia.

"In the July-August issue of PROLETER in 1935, the article 'On Creation of the Croatian CP and Slovenian CP' stressed the question 'Why not creation of a Serbian CP?' and gave the following answer: 'The first and main reason: we are not creating it because the working masses in Serbia are not demanding creation of a Serbian CP.' You can imagine what kind of 'first and main reason' that was. The question poses itself: How did the author of that article learn that the working masses in Serbia were not demanding creation of a Serbian CP, while in Croatia and Slovenia they were? That argument is on shaky ground regardless of who stated it. Yet it is incomprehensible that such an argument, what I would call a pseudoargument, can be resorted to even today." [speaker not identified]

[Question] Our Communists were criticized for the first time because of their attitude on the nationality question at the Second Conference of the Balkan Communist Federation in 1922 in Sofia. The revision of the strategic position taken toward the state of Yugoslavia made its

way precisely through that "Balkan Federation" in which the leading figures were the Bulgarians Kolarov and Dimitrov. But that was only the beginning. When did the promotion of the formula "Great Serbian hegemonism" occur?

[Answer] The term "Great Serbism" was first coined at the famous Zagreb "high treason" trial in 1908.

The formula "Great Serbian hegemonism" was adopted at the Third Regional Conference of the CPY in 1923. The resolution of that conference states that the main cause of the aggravation of ethnic conflicts was the policy of colonial conquest pursued by the Serbian bourgeoisie, i.e., its hegemonistic policy within the state of Serbs, Croats, and Slovenes. It alleges, for instance, that the "state of Serbs, Croats, and Slovenes cannot be regarded as a homogeneous national state with a few ethnic minorities, but must be seen as a state in which the ruling class of one (the Serbian) nationality is oppressing the other nationalities."

[Question] At the fifth congress in 1924 the Comintern was to adopt the line of breaking up Yugoslavia. The Comintern resolution on the nationality question in Yugoslavia contains a paradigmatic Point 7 which states: "The general right of a people to self-determination, which is emphasized by the CPY, must be expressed in the form of separation of Croatia, Slovenia, and Macedonia from the makeup of Yugoslavia and creation of independent republics from them." Did this mean that all types of nationalism and separatism were given a green light by the Comintern just so they were not Serbian, since that is the only one considered dangerous and the only one that had to be fought?

[Answer] The resolution emphasizes that the nationality question is the most important one, and it explicitly allays any fear of "inflaming ethnic passions" and "fiery elements of nationalistic movements." In that way, any non-Serb nationalism was given full legitimization and satisfaction in the policy of the CPY and the Comintern. Impulses in that direction came first of all from the party members in Slovenia and Croatia. Intensively and uninterruptedly seeking an alliance with all non-Serb nationalistic and indeed even chauvinistic movements, the CPY fiercely attacked the leadership of the Croatian Peasant Party and Montenegrin Federalists first of all, since it felt that these parties were not always conducting a consistent national liberation and separatist policy, and it offered them its services, seeking to assume the leadership in those movements. For a time, the CPY attempted unsuccessfully to establish what were referred to as national revolutionary groups as nationalistic shock detachments to break up Yugoslavia. And right up until just before the war the breakup of Yugoslavia was the main strategic slogan of the party.

[Question] Can it be said that the views of communist youth (SKOJ) are characteristic of the subsequent commitments and strategy of the CPY on the nationality

question since they reproached the party opposition most harshly for "making no distinction between the nationalism of oppressed nations and the nationalism of oppressor nations," and warned that wherever there is national oppression there should be "aid to the struggle of the oppressed nations for their liberation"? What does this "aid" specifically refer to?

[Answer] The last prewar congress of the CPY, held in Dresden in 1928, confirmed the policy of the Comintern up to that date concerning the nationality question of Yugoslavia. Let us not forget that that is the year when Stalin definitively consolidated his power. The stand that was foremost at that congress was this: "Our party is fighting for the independence of Croatia without any conditions or qualifications," and then it demands the formation of an independent Montenegro, gives support to the VMRO and recognizes the right of the Hungarian ethnic minority in Vojvodina to split off. The right to statehood was granted to even the smallest particularities. It was in fact this that led to the alliance with the Ustashi in the period 1932-34.

[Question] That alliance with the Ustashi has been concealed a rather long time. It is not very well known that the Ustashi and Communists carried out a joint hunger strike in Mitrovica. The first striker who starved to death was the Ustasha Stipe Javor.

[Answer] Yes, that coalition has been concealed, but people knew about it. In their orientation toward the breakup of Yugoslavia, the Comintern and the CPY were counting most on the Croatian national and national-chauvinistic movement, on the Croatian Peasant Party, but also on the Frankists ("Ustashi"). It was in that one-dimensional orientation it had that the highest leadership of the CPY made its gravest mistake in its entire policy on the nationality question.

[Question] In 1924 the NRPJ (the semilegal CPY) took the position that the entire Serbian nation "is oppressing all the other nations in Yugoslavia." What was the meaning of this monstrous stand in which an entire nation is accused of being an oppressor and in which the accusations collide directly with the general communist idea?

[Answer] It should be mentioned that the two most important revolutionaries and thinkers of that time—Vladimir Ilich Lenin and Rosa Luxemburg—took the position that only Serbia was waging a just national liberation war in World War I. They considered Serbia's war to be an extremely warranted liberation war.

However, Lenin died in January 1924. With Stalin came the tendentious substitution of the view concerning World War I and Serbia's role. Stalin is the one who aided and then inaugurated that entire anti-Serb and anti-Yugoslav policy which the Comintern zealously conducted, as in fact did the CPY. The attitude toward Yugoslavia is either an attitude of enmity or an attitude

of indifference. The proclamation which announced the formation of the Croatian CP and Slovenian CP stated: "The name which the CPY bears does not in any case signify recognition of any nonexistent 'Yugoslav' nationality. It simply means that our party is working on the territory of a state which bears that name." That stand expresses an opinion which is typical of the central European and south European nationalities and which is referred to by scholars as the "romantic" conception of the nationality associated with Herder. It differs from that in western Europe in that the nation and the state do not coincide, since national romanticism takes an attitude of either indifference or enmity toward the state it happens to "find itself" in. This is especially characteristic of small nationalities that were in the Austro-Hungarian Empire.

[Question] In what sense?

[Answer] For the small nations that developed under the Austro-Hungarian monarchy, communities outside the nationality are something which they considered to be imposed on them, something which they felt as a burden. With the nationalities in western Europe the nationality coincided with belonging to a state. This is not the case with the nationalities in central and southern Europe. And this is a characteristic also of certain of our nationalities which have not created their states. The Serbs did create their state and in this regard there probably is certain resentment which should be researched not only by historians, but also by psychologists. I think that the psychological warp in the fabric of that nationalism is not insignificant.

[Question] Could it be said that those nationalities feel themselves to be frustrated?

[Answer] In a certain sense, certainly. We get here what Freud called "the narcissism of small differences," which are accentuated to absurdity. Which accounts for the expression "Balkanization" as a synonym for "senseless division." Division, that is, at any price, unendingly and without justification. The 1974 Yugoslav Constitution is a product of that Balkanization. Under it, Yugoslavia is merely collection of republics and provinces and whatever they agree on at a particular moment. Aside from that, it does not exist. The existence of the YPA is a relic, and that relic is a hindrance, especially to some people. After all, all particularities want to be a state.

[Question] What do you think about the views which Sime Markovic expressed in an article "The Nationality Question in the Light of Marxism" in 1923: "The Serbian bourgeoisie suffered great property losses during the world war. The 3-year occupation was pernicious to the entire economic life of Serbia: it signified the gravest blow to development of the productive forces in the country. The Croatian bourgeoisie, however, thanks to the ultraopportunistic policy of the ruling Serb-Croat coalition, not only suffered no property losses at all during the entire war, but in fact even enjoyed material

growth. Much the same is true of the Slovenian bourgeoisie." To some extent this is also asserted by Rudolf Bicanic, the economic ideologue of the Croatian Peasant Party, who wrote that "51 percent of all the capital of the Kingdom of Yugoslavia was in Zagreb banks." Can one then draw the conclusion that the phrase about the domination of the Serbian bourgeoisie and about its alleged hegemonism is only Stalinist propaganda rhetoric which was welcomed with open arms by other enemies of Yugoslavia whose ideological origins are far more sinister?

[Answer] That is an absolute fact. It is indeed a case of propaganda rhetoric, with one addition. Namely, after establishment of the Kingdom of Serbs, Croats, and Slovenes, the Serbian administration and bureaucracy, to give it a name, was dominant, not the Serbian bourgeoisie. Serbia did have hegemony in the government apparatus and administration. It is untenable to speak about any bourgeois hegemony, about any exploitation of other nationalities by the Serbs. The figure which Bicanic gives is the best refutation of that. There are many such theses of an axiomatic nature, and that entire string of ideological axioms should be reexamined. The thesis of "Great Serbian hegemonism" operates like an axiom in geometry which you dare not deny, but rather must deduce further conclusions from it. However, a serious analysis which is not ideology, but serious history, would reveal many things. That bombastic ideological set of axioms must be reassessed and set against the historical fact.

[Question] What is your opinion about the workers and the people going into the streets?

[Answer] These are the disenfranchised who are coming out in search of their own assembly in which they might articulate their demands, which is proof that the present system does not satisfy the vital needs of those workers in whose name the country is ruled. Hegel said that a social system is weakest where it comes into conflict with its own truth. If the truth of the system is that the working class is in power, then it has become a function which the class itself has seen through.

[Question] Does this apply to the people who have come to the Assembly from Kosovo and also to the rallies demonstrating solidarity with those people?

[Answer] It is the same thing, it is just that the truth the system is colliding with is different. The system has proclaimed the equality of nationalities as its truth, but it came into conflict with it in Kosovo. The people then saw that it must take things into its own hands, since it cannot expect justice from the system. In that sense, the demand of the Serbian people is absolutely legitimate.

[Question] One official has said that decisions cannot be made in the streets and that there should not even be any defense of the old Yugoslavia.

[Answer] That could be said only by an ultrareactionary official. The "streets" have carried out revolutions from the French Revolution to the October Revolution. It is

not democracy when some forums make the decisions just because they have in advance declared themselves to be democratic. That is what I refer to as democracy without a people. And that is nonsensical.

[Question] Since immediately after the war, when interethnic conflicts were far more severe, the CPY managed to restrain the revanchism of the nationalities which had been the victims of genocide and to establish sound interethnic relations, why is it unsuccessful in doing so today?

[Answer] Unfortunately, certain painful truths have been concealed to keep peace in the house, and today they are coming back to us like a boomerang. Complete records have never been kept in our country of many victims. When such things are concealed, then evil is being concealed.

[Question] Can it be said that this ethnic peace was achieved by the Serbs "forgetting" their sacrifices?

[Answer] In the tradition of Serbian socialism, the idea of brotherhood goes all the way to self-denial, self-negation, and it never has been well or correctly understood. For instance, the Serbian Social Democrats were the only ones voting against war credits in Europe at the time of World War I in order to show their loyalty to internationalism. You deny your identity on behalf of brotherhood, and people interpret your act as unitarianism, as hegemonism. That is the point of origin for many injustices and still greater errors with grave consequences.

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INTRABLOC

CEMA Organizational Capacity for Integrated Socialist Market Viewed

26000042 Warsaw RZECZPOSPOLITA in Polish
18 Aug 88 p 3

[Interview with Stanislaw Dlugosz, deputy chairman, Planning Commission under Council of Ministers, by Tomasz Bartoszewicz: "Integrated Socialist Market"]

[Text] Recently, much is being said and written about the possibility of creating an integrated socialist market of CEMA countries. In connection with this, this RZECZPOSPOLITA journalist has turned to the deputy chairman of the Planning Commission under the Council of Ministers, Stanislaw Dlugosz, with a request for an interview.

[Question] In his paper presented at the 19th CPSU Conference, Mikhail Gorbachev referred to the need for creating a uniform market of CEMA countries and for bringing about the exchangeability of the ruble. Were these topics the subject of talks during Mikhail Gorbachev's visit to Poland?

[Answer] Of course, this problem has been discussed by our party and government leaders for some time now. The concept of creating an integrated socialist market already made its appearance at the business meeting of the leaders of CEMA countries in December of 1986. Following this, it is discussed during the preparation of material for the 43d and 44th council sessions.

The majority of CEMA member countries agree that changing to an economic form of integrative instruments is imperative, and since this is the case, changing over from the currently very poorly integrated national markets to an integrated, uniform market of concerned countries of the socialist bloc is indispensable.

[Question] However, there are those who say that the concept of an integrated market somehow does not fit in the ideology of socialism.

[Answer] Such an opinion cannot be agreed with. Numerous conditions speak for the creation of a uniform market. And, after all, this market will be a socialist market.

First of all, our integration is not supranational but international which, in any case, does not mean that sovereign states should not be able to draw up interstate [miedzypanstwowe] agreements among themselves, by virtue of which, part of the national powers in, for example, the sphere of scientific-technological policy, would be turned over to joint agencies. This would not denote the reduction of the potential for the development of individual member states but quite the contrary, the strengthening of joint potential.

[Question] However, this is only one of the concepts.

[Answer] Frankly speaking, we have not worked out theoretical principles of an integrated socialist market, although in many areas work is already in its advanced stages, for example, in the area of the multilateral settling of accounts in CEMA.

[Question] Let us return to the premises to which you have referred. So far, you have mentioned one.

[Answer] A second premise is that an integrated socialist market becomes a necessity from the point of view of that for which we are all striving in the socialist bloc, namely for the raising of management efficiency. However, if we are to take into account that in many CEMA member countries, an independent, self-financing and self-governing enterprise is recognized as the basic element of the economy and if we were to assume that an efficiently managed enterprise must aim for the constant development of its operations, then it must have a reasonably expanded market at its disposal. However, besides the USSR, all the remaining CEMA member countries have national markets at their disposal that are too small for mass production.

Thus, the third premise follows from this: that an integrated socialist market, where the principle of the free flow of goods, services, and production factors, i.e., capital as well as manpower in the more distant future will be the rule, constitutes a factor which will stimulate competition or rivalry between producers and trade organizations. This should be a very effective factor prompting efficiency—something which we are all concerned about.

The fourth premise is that a unified socialist market will be a market where it will be possible to form multilateral cooperation of CEMA member countries. Therefore, this will be a departure from the currently prevailing bilateralism in economic relations between CEMA countries because it is well-known that every bilateralism denotes the shaping of cooperation on the principle of the smallest common denominator.

And finally, one more thing, we are living in Europe. Even though, a long and rough road lies ahead for Mikhail Gorbachev's new way of thinking in the sphere of East-West relations, it assumes, after all, that instead of confrontation, we will be dealing with, may Heaven grant this, real cooperation between both parts of Europe. If this is going to be the case, then we must observe carefully what is happening in the second part of Europe. Integrative processes are intensifying there currently.

In 1992, the Common Market is to convert to one large internal market.

Although, personally I believe that after 1992 individual traits will remain, particularly in the sphere of fiscal and credit policies, from the point of view of our interests, however, this will truly be a uniform internal market. Undoubtedly, this will be conducive to the considerable acceleration of the implementation of the "Eureka" program whereas such acceleration on a European scale may be "caught up with" by the socialist bloc only as a unified whole.

[Question] You have presented a very interesting vision of the new shape of integrative processes in socialist countries. However, does such a vision fit in the organizational structures of CEMA? After all, voices maintaining that it will be necessary to create a completely new organizational framework are widespread.

[Answer] Today's "savoir vivre" dictates radical criticism of everything that we have experienced thus far whereby within the sphere of economic cooperation with foreign countries, it occurs frequently today that the lesser the familiarity with something, the greater the criticism. Thus, as far as CEMA is concerned, it should be acknowledged that this organization has definite accomplishments. On the other hand, it is impossible not to agree with the critical remarks that the methods of these operations, used thus far have become ineffective. Such a diagnosis is commonly known and was presented by, among others, Gen W. Jaruzelski at the working meeting [spotkanie robocze] of the leaders of CEMA countries in December of 1986 as well as by Prime Ministers Z. Messner and N. Ryzkow at the 43d and 44th session of the council.

I feel that currently we should concentrate not so much on criticism as on developing new solutions. We already have the foundation which is the multilateral concept of the international division of labor up to the year 2005 ratified at the 44th session of CEMA in Prague by all CEMA member countries. Also at the 44th session, the set of economic instruments including financial ones which should be studied, agreed upon and put into practice by the interested CEMA countries was delineated. Since we are on the subject of instruments, proof of the fact that we are capable of changing them and adapting ourselves to a new situation, is, for example, the evolution of the methods of coordinating 5-year plans.

[Question] This is a subject in itself. I propose that we devote a separate interview to it in the future. However, I would like to return to my question: Do you see the possibility of achieving an integrated socialist market within the framework of CEMA or will it perhaps turn out that the creation of a separate organization will prove necessary?

[Answer] The fact is that differences between CEMA member countries do occur in the assessment of an integrated socialist market, although, the majority of them are for the necessity of forming it and for intensive

research on the stages of implementing such a market. My personal opinion is that organizational issues are somewhat secondary. The CEMA organizational structure itself (sessions, councils, Executive Committee, Planning Committee, topic committees, secretariat departments) is subject to evolution and may be adjusted according to the needs. Besides this, the statutory principle of a "partial consensus" that applies to the member countries concerned is binding in CEMA. In any case, this principle is applied in practice.

Therefore, organizational issues are not of fundamental importance, all the more that, CEMA banks can be quickly converted to the servicing of the processes of integration. A significantly more important problem is reaching joint solutions, within the multilateral system, with regard to economic and financial instruments.

[Question] What sort of instruments do you have in mind?

[Answer] I am thinking, in particular, of the uniform method of price creation within the sphere of economic cooperation with foreign countries, the methodology of setting the rate of exchange of foreign exchange by member countries, the introduction of the multilateral clearing of accounts, and achieving a truly active role of credit.

[Question] It is probably too early to ask about the deadlines for the creation of an integrated socialist market.

[Answer] My view on this matter is as follows: work is already under way and will be intensified in the coming months. The 1991 to 1995 period should become the testing ground. However, the actual attainment of an integrated socialist market with multilateral clearing of accounts and the free flow of goods, services and production factors, appears to be possible no earlier than after the year 2000.

[Interviewer] Thank you for the interview.

9853/9274

GERMAN DEMOCRATIC REPUBLIC

**Changing Container Standards Affect
Transportation Planning**
23000024 East Berlin DDR VERKEHR in German
Sep 88 pp 283-285

[Article by Dr Werner Adner, Central Research Institute for GDR Transportation, Center for Freight Transportation: "Larger Containers for the Future?"]

[Text] The worldwide standardization of large containers by the International Standardization Organization (ISO) created an essential prerequisite for their extraordinarily rapid spread in international and intercontinental transportation. In recent years, the dimensions in

height and width (2,438 mm or 8 feet) and the maximum permissible gross weight has been repeatedly brought into question for reasons of further improvements in the efficiency of combined transport. Thus, in the interim, a new height of 2,591 mm (8 feet 6 inches) has been adopted and the maximum gross weight of the 20-foot large containers was increased to 24 tons. Meanwhile, an increasing number of larger containers which deviate from the ISO standards have come into use. This has consequences with respect to the supply of transport media, conveyor equipment, and cargo-handling equipment, as well as for the transportation infrastructure. This article is intended to present an overview of the development of a new container generation and the resulting problems and conclusions.

1. Development of a New Container Generation

Efforts to rationalize combined freight transportation, particularly the transportation of relatively lightweight and voluminous cargoes, are aimed at increasing the size of the transport or load units by increasing their height, width, and length. A special trend is currently seen in the use of the so-called high cubes. These are essentially containers with a height of 2,896 mm (9 feet 6 inches), whereas their length and width are generally in agreement with ISO dimensions.

Since 1970, the average production of "high cubes" has risen from 1,133 to 22,500 in 1985, in other words, to around twentyfold and has, thus, resulted in the production of around 103,000 units. Of these, roughly 70 percent are in the United States, 20 percent in Asia, and 10 percent in Europe. In 1986, some 65,000 "high cubes" accounted for around 5 percent of the containerized transport volume in trade between the United States and Europe. In the last 3 years, the share of these containers in trade between the United States and Europe has doubled in terms of percentage. The "Inter-container" Co. alone transported more than 1,000 "high cubes" into the European hinterland during the 1st half of 1986.¹ In 1985, the first "high cubes" reached the GDR. They were brought by highway with special permission.

In the continental United States, containers measuring 45 feet (13.72 meters) and, most recently, also containers measuring 48 feet (14.63 meters) are in use. Compared to the 40-foot standard container the cargo space capacity of these containers is 27 percent or 45 percent greater. Several thousands of the 45-foot containers are already in use in Pacific transportation. Such containers have already arrived in European ports as well. The use of 48-foot containers, which is currently still limited to the continental United States, is expected to begin in the Pacific region in the immediate future. This container is being used by the railroads in the United States in competition with the 48-foot articulated tractors with a load capacity of 122-132 cubic meters and a payload of 25-30 tons in increasing numbers.

The "mammoth container" or "superhigh cube" has the following principal parameters:

Length	14.63 meters (48 feet)
Width	2.59 meters (8 feet 6 inches)
Height	2.90 meters (9 feet 6 inches)
Cargo space	98 cubic meters
Payload	26.8 tons ²

In addition, 2.6-meter-wide containers are in use within the United States and in freight transport involving Japan.³ An additional trend involves the increasing use of tank containers and hopper containers in continental transportation.

In view of these developments, international organizations such as the ISO, the Inland Transportation Committee of the European Economic Community (EEC), and the International Railroad Union (UIC) are dealing with questions of standardization. Thus, Technical Committee No 104 of the ISO is preparing the standardization of containers having a height of 2.9 meters (9 feet 6 inches), as well as that of the 20-foot containers for heavy cargo such as, for example, a tank car container with a maximum permissible gross weight of 30,480 kg. Similarly, the UIC is planning to increase the gross weight of 20-foot containers from 24,000 kg to 30,480 kg. Technical Committee No 104 of the ISO also defends the position that the trend toward development of the 2.6-meter-wide container can hardly be halted.⁴

Various countries, railroad administrations, shipyards, etc., are already adjusting toward the utilization of several of these developmental directions. Among others, this also finds expression through:

- development and use of low-cradled cars for combined cargo transportation (for example, the French State Railways and British Rail)
- increases in the width of containers, changeable superstructures, etc., permitted in highway transportation to 2.55 meters or 2.60 meters

2. Problems and Consequences

The developmental trends exert their influence both on the participating transport carriers as well as upon the transportation infrastructure, primarily as a result of increases in the maximum permissible gross weight of the containers and as a result of changes in their principal dimensions.

Increases in the gross weight of containers from 24 tons to around 30.5 tons results in the available 60-foot container carrier vehicles, which are normally equipped to handle a payload of a maximum of 72 tons, not being fully utilized since only two of the three container stands of a carrier vehicle can be used to carry fully loaded containers. Consequently, new container carrier vehicles

with an appropriate capacity must be used. Similar consequences accrue for highway transportation for which sufficient numbers of highway vehicles or tractors capable of handling the permissible payload of 30.5 tons must be provided.

An additional problem results from the introduction of new principal dimensions for containers. Although in rail transportation, containers having a height of 2,900 mm and a width of 2,438 mm can be transported, in accordance with the UIC Clearance Gauge B when using a standard container carrier with the height of load level being a maximum 1,180 mm above the upper edge of the rail, an increase in the width of these containers to 2,600 mm already requires the utilization of a larger clearance gauge for rolling stock. This results in the railroads having to either expand the existing rolling stock clearance gauge or having to utilize container carriers which have a lower surface for loading or having to make both of these adjustments. Currently, only the Benelux nations and West Germany have relatively good prerequisites, on the basis of utilizing the UIC Clearance Gauge C, for being able to transport containers having new dimensions in height and width with standard container carrier rolling stock without large supplemental investments.

The French State Railways solved the problem on their lines where Clearance Gauge B or Clearance Gauge C applies by utilizing new low-cradled rolling stock. The cars, designated as "multifret," have wheels which have a diameter of 840 mm. They thus achieve a load level elevation of only 940 mm above the upper edge of the rail. These cars make it possible to transport all container and drop-box types operating in Europe, including containers having a width of 2.6 meters throughout the rail network operated by the French State Railways.⁵

In highway transportation, the problems arise from existing legal regulations pertaining to height, width, and length of highway vehicles, from highway vehicle equipment in use, and from the limitations caused by existing traffic structures. The limitations with respect to width have already been eliminated in the United States, Canada, Sweden, Finland, Holland, Belgium, and Luxembourg by expanding the permissible vehicle width to 2.6 meters. In France and Denmark, utilization of a highway vehicle width of 2.55 meters is permitted. Highway transportation of containers having a height of 2.9 meters is generally considered possible in western Europe since 3.1-meter-high drop boxes with chassis having a lowered cross section are already in operation there.

In maritime transportation, the shipment of 2.9-meter-high containers requires special or adapted container vessels if larger quantities of these containers are to be shipped or if the width or the length of these containers were to change. No major problems are anticipated with

respect to cargo handling, since the adaptation of future cargo-handling equipment to the new parameters of containers or transport media can be anticipated.

However, completely new problems arise if, in addition to the height and width, the length of containers were to be changed beyond 40 feet to 45 or 48 feet, as well. This would mean giving up the proven length module of the 20- or 40-foot container and all related mounting dimensions of the transport media and related container-handling or floor conveyor equipment so that the technical prerequisites for the utilization of the superlong containers would have to be created anew.

3. Consequences for Development in the GDR

In the GDR, for some time now, a divergent development has been noted with respect to the relatively lightweight and voluminous cargoes between cargo space being offered and capacity of the transport containers. The result is, among others, the stagnation of large container use which has been noted since 1975. In order to counter this development and to increase the productivity of the container inventory, a proposal was made as early as 1978 to acquire an inventory of large-volume transport containers for combined transportation, for example, closed 40-foot containers. As far as measures beyond this stage, such as the preparation of a new generation of containers, it was proposed that the resulting problems, in view of the anticipated large material-technical consequences, be examined in a timely and long-range manner.⁶

Past years have confirmed that the share of low-density transport goods is increasing. The growing share of superhigh containers in use is in harmony with this development. Thus, in 1986, containers having a height of 2,591 mm (8 feet 6 inches) accounted for roughly 90 percent of the world container inventory, in contrast to 6 percent accounted for by 8-foot-high containers. The share of containers having a height of 2.9 meters (9 feet 6 inches) is currently 2.85 percent.

In the GDR, the introduction of a container height of 2,591 mm led to the drawing of the first consequences from this general developmental trend. Furthermore, in accordance with international developments, the maximum permissible gross weight of closed 20-foot containers was increased to 24 tons. This step already resulted in solving many partial problems. The currently ongoing international development, however, poses far greater demands on the further development of container transportation and cargo-handling equipment, as well as upon the transportation infrastructure.

3.1. Raising the Permissible Gross Weight of Containers

In railroad transportation, the raising of the permissible gross weight of containers requires the use of new flatcars for container transportation in the interest of better

capacity utilization—flatcars which could handle a greater useful payload. However, current flatcars used for this purpose only permit a payload of approximately 56 tons so that not even two containers having a gross weight of around 30.5 tons each can be loaded on them.

In highway transportation, increasing the payload capacity of highway delivery vehicles to 24 tons no longer meets the new requirements. The anticipated use of 40-foot containers and 20-foot special containers with a maximum gross weight of around 30.5 tons each requires that highway delivery vehicles have an appropriate capacity. Also, the existing tow vehicles and their crane facilities are no longer adequate for the new requirements, making further development involving appropriate increases in their capacity desirable.

For the handling of containers at large-scale container-handling locations, appropriate equipment becomes desirable only in the event these facilities still lack any handling equipment appropriate to the higher gross weights in those areas which anticipate handling such containers in the future. Whether, in the future, the most important large-scale container-handling facilities of a future principal container network should have special handling equipment for drop boxes or drop containers with a maximum gross weight of 36 tons installed or not depends on the prospects of this variant of combined cargo transportation in the GDR, particularly with respect to transit traffic and certain foreign trade shipments.

3.2. Alteration of the Principal Dimensions of Containers

Introduction of a container height of 2.9 meters would have to be limited on the rail net of the German Railroads to the height of the load surface of flatcars destined to haul containers to a maximum 1,100 mm above the top surface of the rail, if load dimension 1 DR is to be maintained. Since the load surface of the cars used for this purpose is currently 1,260 mm above the top surface of the rail and more, new flatcars would have to be used to transport containers which are 2.9 meters high. If, in the future, a width of 2.6 meters for containers is to be used and containers meeting load dimension 1 DR are to be transported, then a lowering of the load surface to a minimum of approximately 1,000 mm above the top surface of the rail would be required.

With respect to highway transportation, problems involving the transportation of 2.9-meter-high containers arise from traffic limitations based on available traffic structures such as underpasses, gates, etc., if vehicle equipment is not available which would permit the lowering of the height of the load surface from roughly 1,300 mm to 1,000 mm. To permit the use of containers having a width of 2.6 meters in highway

transportation, the fundamental prerequisite is the modification of the GDR highway transportation and licensing law to take into account the anticipated future requirements.

In maritime transportation, new requirements for container vessels arise from the transportation of containers having the new principal parameters. The first two "Saturn"-type container vessels activated by the VEB Deutfracht/Seereederei Rostock in 1987 already took into account containers with a height of 2.9 meters. One cargo hatch (hatch No 1) is especially set aside for the transportation of these containers.⁷ A thorough evaluation of future developmental trends will provide an insight into any further consequences accruing for future container ships on the basis of the new container generation.

As far as cargo handling is concerned, the use of 2.9-meter-high containers at high-capacity, large container-handling facilities of the German Railroads or at maritime ports is realizable with the use of portal cranes. However, efficiency losses resulting from lowered stacking heights in the crane area (only single stacking in place of the generally utilized double stacking) can occur so that further development of cargo-handling equipment will become necessary in the event many such containers are used.

With respect to the handling of 2.6-meter-wide containers, extensive requirements accrue, particularly if the position of the ISO cornerpieces on the containers is changed. Moreover, the mixed use of containers with existing and new dimensions at a large-scale container-handling facility can cause new technological problems such as, for example, the creation of special container-stacking blocks for containers of similar dimensions.

In transporting 45- or 48-foot-long containers, problems in addition to those identified in Section 2 would arise. Thus, for example, the appropriate quantity of goods for 40-foot containers could only be assured on the basis of customary shipment sizes, on heavily frequented routes—something which might become more problematic for larger containers.

4. Summary and Conclusions

In summary it can be stated that, in intercontinental transportation, the United States is using:

- a steadily growing number of containers with a height of 2.9 meters since 1970
- containers with a length of about 13.7 meters or 14.6 meters in recent years
- containers having a width of 2.6 meters since 1987

which have thus far not been standardized by the ISO. Beyond this, use of an increasing number of containers with a maximum permissible gross weight of around

30.5 tons must be anticipated. In view of this development, the ISO is currently examining how the unification of containers within the framework of worldwide standardization can be accomplished. The way things look, it can be anticipated that, in the foreseeable future, container heights of 2.9 meters will become the standard. Since in recent years, both in the Americas and in Europe, some countries have allowed a vehicle width of 2.6 meters to be permitted in highway transportation, the increasing promotion of a container width of 2.6 meters, at least for refrigerated containers, must be anticipated, particularly with emphasis on basic panel dimensions. Whether a standardization of containers having a length of more than 40 feet will be approved remains questionable.

The above-named development trends require responses to the matured questions of future development of transportation equipment, combined transport, and the further development of the transportation infrastructure, both on the international scale and also within a national framework.

Given the transport-geographical conditions of the GDR, and particularly the exposed position with respect to transit traffic, an increased number of arriving containers having the new principal dimensions must be anticipated on the territory of the GDR in the near future. With the inclusion of the requirements for the efficient course of foreign trade shipments, the following considerations arise which should lead to appropriate decisions in the course of a comprehensive discussion:

- The trend to use ever larger closed containers for the transportation of piece goods is aimed at the better adaptation of cargo space to the structure of light-volume goods and, thus, to the better utilization of cargo space, accompanied by a relative decline in the actual dimensions of containers.

This trend should be followed in principle in the interest of increasing productivity of the container inventory. It would be desirable, taking into account the available material-technical base of the transportation medium, for minimum adaptation problems to occur accompanied by maximum efficiency increases. One possibility in this direction would be the increased use of already standardized closed 40-foot containers in those foreign trade shipments where suitable prerequisites already exist.⁶ In view of the more favorable cargo space density offered by a 40-foot container (0.45 ton/cubic meter), better utilization could be achieved and increases in the maximum permissible gross weight of closed 20-foot containers from 24 tons to 30.5 tons could be foregone; use of these containers, taking into account the relatively low density of cargo transported in them, would lead to a deterioration in utilization anyway. Also, the use of 45- or 48-foot-long containers would not result in any substantial efficiency advantages over use of the 40-foot container, in view of the customary shipment sizes. If

one takes into account the necessary material and technical expenditures to facilitate this use, then an unfavorable ratio between cost and utility must be anticipated so that, from this standpoint, the lengthening of containers should be renounced.

- The influx of containers having the new principal parameters into the territory of the GDR requires special solutions in view of the available transport equipment and transport infrastructure, or even special permission which should be replaced by future more efficient transport and cargo-handling equipment for transit traffic and foreign trade shipments as soon as possible.
- A central question of further development pertaining to container transportation in the GDR deals with the utilization of a container carrier vehicle which is adapted to future requirements. For this purpose, on the basis of concentrated container streams and within the framework of a future container principal network involving the most high-capacity, large container-handling facilities, a progressive transport technology should be promoted which would permit the movement of combined transport trains. The necessary container car should have both an appropriate carrying capacity and also a lowered carrying frame and the necessary tie-down provisions for the transportation of currently available containers as well as containers which can be anticipated in the future, including standardized drop boxes. Since a gross weight for drop boxes of 36 tons is turning out to be the future standard for Europe, the future container car should take this gross weight into account.
- Even though no certain testimony is available regarding the prospects of the influx of containers having a width of 2.6 meters onto the territory of the GDR, consideration regarding the possible consequences particularly for highway transportation, to be posed by high-capacity large container-handling facilities and potential transport customers, are already appropriate at this time. This is particularly true regarding the formulation of conditions or regulations in the highway transportation licensing law to permit the possible use of highway vehicles or containers having a width of 2.6 meters, at least on selected routes. On this basis, the necessary measures for the acquisition of appropriate vehicle technology and the adaptation of the transportation infrastructure are to be prepared on a long-term basis as desirable.

Footnotes

1. "Higher, Broader Containers and Drop Boxes Are Coming in Our Direction," INFORMATION INTERCONTAINER, No 37, May 1987, p 3.
2. "The Way Forward Through Stormy Waters," INFORMATION INTERCONTAINER, No 35, July 1986, pp 15-16.

3. Seidelmann, Christoph, "Railroads Are Facing Problems With the Height," *DEUTSCHE VERKEHRSZEITUNG*, special issue on container traffic, Vol 42, No 50, 28 April 1988, pp 45-46.

4. ISO, "New Container Standards," *DEUTSCHE VERKEHRSZEITUNG*, Vol 41, No 72, 18 June 1987, p 1.

5. "Multifret," *INFORMATION INTERCONTAINER*, No 37, May 1987, p 5.

6. Adner, Werner, "Capacity Increases Through Modern Technologies and Large-Capacity Transport Containers for Combined Shipments," *DDR-VERKEHR*, Berlin, No 5, 1978, pp 156-160.

7. Collective of authors, "1166-TEU Full Containership, 'Saturn' Type," *SEEWIRTSCHAFT*, Berlin, No 2, 1988, pp 69-90.

05911

POLAND

Trade With Romania Delineated
26000037e Warsaw *RZECZPOSPOLITA* in Polish
11 Aug 88 p 9

[PAP article: "Polish-Romanian Economic Cooperation"]

[Text] In the current year, Polish-Romanian commodity trade will reach a value of 900 million rubles. This will strengthen our position as Romania's third economic partner among socialist countries and will put this country in sixth place among Poland's socialist partners.

Traditionally, more than 60 percent of this trade is in products of the electrical and machine-building industry. On the Polish side, it is conducted by nearly 50 export-import companies. The largest contracts are held by Kolmex which purchases Romanian freight cars and electric locomotives for the PKP [Polish State Railroads] valued at approximately 100 million rubles annually. It should be pointed out that owing to these deliveries, the problem with the shortage of coal cars on railroad routes has been virtually eliminated. Furthermore, machine tools, rolling bearings, drilling rigs, industrial fixtures, steel structures, and all kinds of fuel and raw material (gasoline, synthetic rubber, metallurgical products) from Romania which constitute approximately a 33 percent share in the trade turnover, find their way to Polish industrial plants. This year's situation whereby our partner is not supplying us with the aluminum stipulated in the contract, thus, causing specific difficulties for our economy, should be regarded as an exception.

Polish foreign trade companies are, on the other hand, selling primarily construction machinery and machine tools as well as blast-furnace coke, sulfur, and coking and power coal.

Both sides confirm that the degree of commodity trade does not exhaust the trade potential of both countries. Ways of increasing trade are perceived in the development of production specialization and cooperation. Such assumptions have also been adopted in the contract-agreement for the current 1986-90 5-year plan.

Both sides emphasize that there exist prospects for the development of cooperation and commodity trade. However, to a great extent this depends on Poland's export possibilities and on the broader opening of the Romanian market to Polish goods.

9853/9604

Enterprise Obligations to Suppliers Growing; Credit Difficulties
26000043b Warsaw *RZECZPOSPOLITA* in Polish
15 Aug 88 pp 1, 2

[Responses of the Ministry of Finance and the National Bank of Poland for *RZECZPOSPOLITA*, compiled by kb: "The Payments Situation of Enterprises"]

[Text] This year, many good and even well-managed enterprises are experiencing problems with obtaining payments for sold production accounts and rendered services. Difficulties with collecting payments from debtors delay the implementation of the enterprises' own obligations. What are the reasons for this problem and the chances of solving it on a national scale?

More than a month ago, the then chairman of the Polish National Bank [NBP], Prof Wladyslaw Baka, expressed himself on this subject to the Polish Press Agency [PAP]. At the beginning of August of this year, PAP briefly informed the readers of our paper, among others, about the method of solving the payment problem in our economy.

Judging from the number of letters and telephone inquiries which we are receiving regarding this matter, the problems of payments requires some further elucidation. In connection with this, we turned to Andrzej Wernik, director of the Department of Financial Policy of the Ministry of Finance, and to Pawel Karpinski, director of the NBP Payments-Credit Department, with a request for their comments on this subject. Their remarks are as follows:

"Indeed, since the beginning of the year irregularities have been increasing in the settling of accounts between socialized enterprises (and not only industrial enterprises but also those belonging to other sectors of the

national economy) which have expressed themselves, above all, in the delayed regulating by buyers of obligations arising from the obtained supply deliveries," stated Director A. Wernik.

"According to the state of affairs for 30 June of this year, socialized enterprise obligations with respect to suppliers have increased in comparison with the situation one year ago by 95.2 percent whereas sales during the first half of this year were 61.0 percent higher than during the same time last year. The main reason for such a state of affairs is, in my opinion, the worsening of socialized enterprise liquidity in connection with the necessity of financing the nominal increase in the value of reserve funds arising from price increases. The value of reserve funds in socialized enterprises during the first half of this year rose by 2.2 billion zloty whereas at the same time last year, the increase in the value of reserve funds came to 0.8 billion zloty. This means that the increase in the value of reserve funds was 171 percent higher than a year ago. It should be pointed out that on a macro scale, this is only a face value increase because the indexes that characterize the reserve intensiveness of production indicate a slight decrease.

"Despite the high increase in profit—85 percent—after taxation that remains at the disposal of enterprises, the ratio of profit after taxation to the increase in value of reserve funds, that to a certain extent constitutes a gauge of enterprise capacity for self-financing in the area of reserve funds, has worsened considerably: it has dropped from 107.6 percent during the first half of last year to 73.5 percent. This has resulted in the inability by enterprises to appropriately increase their own funds in turnover and consequently, their percentage share in the financing of turnover funds (i.e., reserves together with intermittent clearing of accounts as well as obligations) has dropped slightly. At the same time, the share of bank credit has decreased in connection with the credit policy of banks resulting from the assumptions of the monetary-credit policy for 1990 passed by the Sejm on 21 January of this year. On the other hand, the share of the remaining sources of financing has increased, particularly that of obligations.

"This situation, has resulted in the formation of payment blockages: many enterprises have lost the ability to regulate their obligations on time with respect to suppliers because in turn their clients are behind in paying for the delivered supplies. However, it should be noticed that enterprises frequently exhibit too little energy in recovering their claims and in particular, they do not always charge interest for delays and also—something which should become the rule—they do not stop deliveries to unreliable clients who are behind in their payments. In the reformed economy, there can be no room for a passive attitude on the part of enterprises in this respect and, in particular, they cannot count on automatically obtaining credit for the amounts owed by their clients. Enterprise independence means the necessity of actively attending to one's own interests.

"The Council of Ministers on its part has increased the interest on delays in payments owed to enterprises by their clients who do not make on time payments for obtained supplies from 18 percent to 30 percent (Council of Ministers decree of 11 April 1988 which changes the decree with regard to the issue of the principles of the monetary clearing of accounts by units of the socialized economy—DZIENNIK USTAW No 11, 1988, item 26). The raising of the interest on delays has made it unprofitable for the debtor to delay payment because late payment of obligations has become a more expensive source of financing turnover funds than bank credit. Nonetheless, the execution of the amounts due together with the interest on delays is a matter for the enterprises themselves. The government cannot relieve enterprises in this case. However, certain modification of the credit policy can limit the negative effects of the worsening of enterprise liquidity and the formation of payments blockages."

"The Polish National Bank," stated Director P. Karpinski, "is observing and analyzing the situation, which has been forming for a long time in the area of the regulating by enterprises of mutual obligations, very carefully and with great concern. The fact is that for some time now, we have been dealing with the accumulation of overdue obligations in enterprises.

"What are the fundamental sources of this occurrence in the opinion of the bank? To a large degree, this is the result of inflationary processes in the economy which have increased during the current year. Consequently, obligations and amounts outstanding are growing together with price increases.

"I will not be saying anything new if I state that the expenditures of many enterprises are not adapted to their payment capabilities. Naturally, enterprises do not agree and feel that the so-called payments blockages are the result of a faulty bank credit policy.

"Thus, what proposals arise from this? In principle, two basic ones: that the bank should grant credit for the full scope of enterprise needs and that the bank should make allowances in full for price increases when granting credit.

"I would like to express my position on these two proposals which are rather commonly formulated by enterprises. The first matter: that the credit capabilities of the banking system are determined by the accumulated funds means that every credit granted by a bank must have coverage. Having enterprise needs guide the credit activity of banks inevitably leads to the breaking of this principle and that is why a bank cannot fulfill this proposal because its implementation would lead to the intensification of inflationary processes.

"As far as the second proposal is concerned which, in any case, is closely tied to the first one, the bank does, to a great degree, make allowances for price increases in its credit policy to the extent that is required by transactional needs and their growth due to price increases.

"What facts does the bank observe? Frequently, enterprises accept the prices on goods set by their suppliers without taking into account their own payment capabilities. This leads to the accumulation of overdue obligations in these enterprises.

"The bank also watches for the lack of adequate concern on the part of many enterprises for the proper procedure of the clearing of accounts. Naturally, these observations do not apply to all enterprises since approximately 30 percent of the enterprises do not use credit to finance current operations and approximately 12 percent of the enterprises that are receiving bank credit have strong creditability and in the case of these enterprises, the bank employs maximum credit assistance.

"At the same time, I would like to emphasize that looking for the sources of the increasing payment difficulties solely in the operations of enterprises would be too great of a simplification. It is also indispensable that undivided attention be given to the different conditions under which enterprises are operating as opposed to those arising from the adopted assumptions and decisions of the economic policy for the current year.

"What I have in mind, above all, is the significantly higher rate of inflation than had been planned. The bank, of course, notices changes in conditions and recently, the NBP chairman made the decision by the power of the authority contained in the assumptions of the monetary-credit policy passed by the PRL Sejm to increase bank credit operations and increase the selectivity of credit policy.

"Enterprises that are in good economic standing may expect increased credit reinforcement whereas weak enterprises must expect the tightening of credit policy conditions. By the same token, in taking into account the changed conditions of management, the bank maintains in full the assumptions of the monetary-credit policy for the current year while tightening its selectivity."

9853/9274

Extraordinary Expenditures of Coal-Mining Facility Lambasted

26000082 Warsaw LAD in Polish No 35, 28 Aug 88 p 7

[Letter by Ryszard Dyoniziak, professor, Institute for Political Economy, Academy of Economics in Krakow]

[Text] Many people have told me that they read, with pleasure, letters that should appear elsewhere, but which your newspaper publishes because it apparently is more open, which in the age of "glasnost" should be the rule, but is not.

Therefore, I am attaching a letter that should appear in PRZEKROJ. Unfortunately, that weekly is afraid of the "raw materials lobby." Perhaps you will publish it.

Dear PRZEKROJ: You printed an innocuous report: "The extraction of one ton of coal in the Thorez mine cost 19,645 zlotys last year. It was sold for 7,341 zlotys. It is the same in other mines.... Even the last increases in coal prices will not make these mines profitable." (PRZEKROJ, No 2238, p 3)

That is true, but you did not write, dear PRZEKROJ, why that is so. Therefore, at least some of your readers will simply think that maintaining mines is costly by the very nature of things. Yet that is not the case at all. The example of coal is a perfect illustration of the fundamental defects in our country's management system. It should be written honestly that automatic increases in the price of coal not only do not make things better for the mines, they also makes them worse. Why? Because an increase in the price of coal does not induce management to improve the operation of the mines—it does not force them to be thrifty, to stop the scandalous expenditures (more about that later), or to reduce the bureaucracy.

In today's coal prices are included not only the high wages of those who work below ground in extracting this raw material, but also the salaries of all of the office workers employed above ground, all of the cleaning women, cooks, laboratory assistants, and other persons who are also covered by the "miners' charter," which may appear strange, but it is so. Mines (just as many other places of employment) have an extremely inflated office apparatus: An entire army of office workers is employed between the miners and the managing directors in each mine, in each miners' guild (something on the order of an association), and in the "coal community." One miner must work for at least 20 other persons. Such a situation in the United States, for example, would be unthinkable. But that is not all. As reported recently in TEMPO, in just one guild, 300 million zlotys spent in 1987 for sports competitions—trainers, trainees, and an entire "club apparatus"—was charged to the price of coal. Misappropriation of funds is the rule, not the exception: Societal expenditures, including the construction of tourist and sports facilities, are charged to production costs. The costs of the incredible waste of resources and equipment, and of coal "lost" on the way to the purchaser, are included in the price of coal. And those who criticize this state of affairs are transferred to inferior positions, intimidated, and even fired. Cannot all of this be eliminated and the system of management radically changed? Thus far, no one seems powerful enough to do this, and the mines yearn for higher coal prices. But maybe the special powers granted to the government will change this.

9295

Finnish Economic Successes Praised, Studied
26000043a Warsaw ZYCIE WARSZAWY in Polish
17 Aug 88 pp 1, 4

[Interview with Henryk Burczyk, Polish ambassador to Finland, by Bozena Kastory: "How Do They Do It?"; date and place not given]

[Text]

[Question] Mr Ambassador, how do the Finns do it? They have the highest national income growth rate in Europe.

[Answer] This is a question which Polish journalists incessantly ask both the Finns and us, here in the embassy. In the last dozen or so years, Finland has made enormous progress in the modernization of its country. The standard of living has risen greatly.

One of the deciding factors of this growth was and continues to be a sound economic and foreign policy. Immediately after the war, the Finns established trade relations with the Soviet Union where they found an unlimited market for their products. Until recently, 30 percent of their exports were directed toward the Soviet market. In recent years, this export decreased somewhat because trade between Finland and the Soviet Union is being conducted on the basis of clearing....

[Question] ...That means, the equivalent of goods sold in both directions....

[Answer] This is adhered to. However, because the price of petroleum, which the Soviet Union sells to Finland, has dropped sharply, i.e., the value of the Soviet export has decreased, Finland has also had to reduce its exports to the USSR.

A second principle of Finnish foreign policy are close relations with the West—with Western Europe, the United States and Japan. They are, above all, interested in new technology, automation and industrial electronics. In addition, the Finns were able to make a choice—they specialize in forestry and manufacture icebreakers (70 percent of the world's icebreakers come from this country). They also manufacture 100 percent of the oil drilling platforms used for studying the ocean bottom.

[Question] Thus, they were able to turn their difficulties into successes. Others would complain that they only have forests and ice.

[Answer] Last year, the value of Finnish exports came to \$23 billion.

[Question] Keeping in mind that there are not quite 5 million people in that country, the results are remarkable.

[Answer] The size of Finnish exports attests to the vitality of their industry. During recent years, it has been almost entirely modernized taking into account, above all, energy consumption. Owing to this, from 20 to 30 percent of the previously used energy in various sectors of the economy was conserved. The result? While production growth increased sharply, total energy consumption remained at an unchanged level.

[Question] Most likely, the principle of "the higher the cost, the higher the profit" whose negative effects we are feeling in our own economy does not apply in Finland.

[Answer] No. It is just the opposite here. The lower the production cost, the greater the profit.

[Question] Perhaps it would be a good idea to send our economists to Finland for a period of special training?

[Answer] Why don't you submit such a proposal? On our part, we have been repeatedly pointing to these economic solutions and technology which could be applied in Poland. Several years ago, my predecessor initiated efforts to introduce to Poland one of the energy conserving Finnish production technologies. Together with the Trade Advisor's Bureau, we conveyed a great deal of information on this subject, Polish-Finnish teams were appointed, and corresponding material made its way to the Ministry of Economic Cooperation with Foreign Countries. And everything came to a standstill at this point. Why don't you look into this and write about it?

[Question] Do you feel that a journalist can successfully encourage more rational economic solutions when the economists do not have any luck in doing this?

[Answer] A journalist can remind everyone that there are possibilities of making use of Finnish experiences on our side of the Baltic. I myself regard the facilitation of economic relations as the most important function on our activity here. In a week, for example, we will have a Polish skilled craft delegation in Helsinki. Due to our initiatives, a group of Finnish small-scale producers paid a visit to Poland 3 months ago. As a result, an agreement was prepared that will be signed shortly between Polish craftsmen and small-scale manufacturers in Finland.

[Question] In what areas of production?

[Answer] The Finns are interested in exporting anything: packaging production machinery, fruit and vegetable processing equipment, milk pasteurizing technology. Have you tasted how delicious the milk is here?

[Question] Indeed, I have tried it with a feeling of envy. Most likely, no one would drink our milk here. How does Finland manage to obtain such abundance and quality of food from barely 8 percent of land suitable for cultivation?

[Answer] They even have an overproduction! That is why, production restrictions have been introduced this year. Every farmer who will forego the cultivation of 1 hectare will receive 1,600 Finnish markkas in reward. One year, because of agricultural overproduction it was necessary to further export a significant part of it whereas export surcharges came to approximately 4 billion markkas. Therefore, the minister of finance made the decision to limit agricultural production. Of course, he could not impose this on anyone but he can give financial encouragement.

[Question] As may be seen, under conditions of a free market, the state can exert influence on the operations of producers.

[Answer] In Finland, state intervention is very noticeable. Naturally, the government allows, for example, every firm to operate on its own. It may produce what it wants and where it wants. However, in order to implement its own economic policy, the government has, for example, introduced licenses for the export and import of various products and goods. If a firm does not obtain a license, it can neither buy nor sell abroad.

In addition to this, customs duty is placed on specific goods and in this way, the selling conditions are regulated. For example, Finnish automobiles are sold tax free. However, West German Mercedes' are laden with a duty of 300 percent of the value.

And a third instrument of influencing the producer—taxes. A firm that invests and modernizes production pays lower taxes because the state is interested in modernizing industry and in energy and raw material conservation.

[Question] Do you feel that it would be possible to introduce similar tax regulations in our country?

[Answer] I believe that three-fourths of the Finnish tax and economic system is suitable for application in our Polish conditions. It would be worthwhile and for our own benefit to discover Finland all over again. I, myself, am an enthusiast of this country which owing to hard work and sound policies has attained its current prosperity.

[Interviewer] Thank you for the interview.

9853/9274

ROMANIA

Facts, Figures on Port of Constanta Construction
27000006 Bucharest *FLACARA* in Romanian
2 Sep 88 p 5

[Article by C. Ismaileanu: "At Sea and on Land"]

[Text] To develop Romania's maritime transportation, it has been necessary to first of all develop the space for ships to maneuver in the port of Constanta, our largest maritime port, through which passes about 65 percent of our foreign trade.

The old port extended southward at the time. That major project, which began in 1964, is scheduled to be continued until 1990. Currently the new port encompasses 742 hectares and accommodates a yearly traffic of 52 million tons of various goods. Aside from railway and auto transportation, the new port also has a new freight waterway: the Danube-Black Sea Canal, which links it with virtually all of central Europe and will soon connect it with the North Sea, too.

In the final stage the dammed area of the southern Constanta port will measure 2,000 hectares, which is the size of Rotterdam, currently the largest port in the world.

That space, which will be about three times larger than at present, will be bordered by three dikes—altogether 10,000 linear meters built into the sea—parts of which will reach a depth of 20 meters. This huge engineering effort involves a tremendous battle against nature, but also presents a vital advantage: the greater depth of the port basin will can accommodate very large vessels of 165,000 dwt and more..

Two of the above mentioned dikes—the one at sea and the southern one—are almost finished and work has begun on the third, the north-south dike, which will be a veritable barrier against the waves running more or less parallel to the shore line. The hydrotechnical engineers of Constanta who are erecting this vast project worthy of the third millenium are using high productive technologies, many of which are genuine firsts in the field. Two such examples of highly productive and efficient solutions are the 20-ton stabilizer bridges built right on the shore, and the 5,000-ton berths built out of giant reinforced concrete caissons which were cast on land and then "launched" to sea to be "soldered" together at a depth of up to 20 meters under water. Such operations have become "common" on the building sites of the new port—an impressive investment project designed to increasingly affirm Romania as a country that intensively promotes international cooperation and the means for achieving it.

Once this strategically located southeastern European maritime center is completed, Constanta will become one of the largest European ports and one of the 10 largest ports of the world.

In 1958, i.e., exactly 30 years ago, Romania's commercial fleet could be counted on one's fingers: Constanta, Midia, Mangalia, Tulcea, and a few other small cargo-boats that did not exceed 500 dwt each, which were not capable of venturing out on very long voyages. That being too risky, they were content to hug the coast, as seamen say.

Today, thanks to the rapid development of the Galati, Braila, Tulcea, Constanta, and Mangalia shipyards, the fleet has over 200 vessels with a capacity of close to 5 million tons. The fleet increased 27 times over during this time!

Another telling comparison with 1958 is that today Romanian oilers, ore carriers, freighters, fishing vessels, trawlers, and "roll on-roll off" vessels land in 2,000 ports in the world. This achievement illustrates the competitiveness of the Romanian shipbuilders, as well as the skills, courage, and endurance of the Romanian seamen, those men devoted to the sea, who proudly and with honor display our national colors throughout the world.

The port of Constanta was first opened on 27 September 1909. The plan had been designed by a genius, Anghel Saligny. He was a brilliant engineer and a man of exact figures, but also a visionary: 10 years previously Anghel Saligny had designed and built the bridges over the Danube and Borcea (one of the arms of the Danube of about the same width), thus accomplishing not only a monumental work (at the time it was the largest railway bridge in Europe), but also forging a lasting link between Romania and Dobruja.

The bridge, built at the beginning of the 20th century, turned out to be very durable; it is still being used successfully with no essential structural modifications. However, the rapid development of goods transportation on this route eventually became too much for it... The old bridge began to gasp under the railway cars passing every few minutes and even seconds, and could no longer keep up with the continuously increasing passenger and freight railway traffic.

At that point it was decided to build a new, four-way bridge (two railway tracks and two highway lanes) parallel to the old bridge: a contemporary replica of Anghel Saligny's bridge, a monumental project which is now already in use. The railway bridge is designed to lighten the busy railway traffic to and from the great maritime gateway of the country.

The highway bridge is part of a network of modern, extremely safe roads known in short as the "North-South Trans-European Highway." In Romania, the highway will begin at the ferryboat terminal that is scheduled to open soon. Once in Constanta, the trucks, buses, or passenger cars that travel this highway from central Europe will embark on special ferry-type vessels.

Mangalia, the first of this type of vessels, has been acquired by Navrom Constanta to cross the Black Sea straight to the Turkish port of Samsun, in Asia Minor, in less than 24 hours.

Back to the subject of railway traffic on this important route linking the country to its sea gateway; here, too, there are novelties to report, novelties which add to this modern and particularly efficient transportation system.

Intensive work is under way to switch the main Bucharest-Constanta railway track to a computerized and teleautomated data transmission system. This, the first Romanian railway transportation system of this kind, equals the international state-of-the-art. It was achieved

by a team of specialists from the Bucharest Institute of Transportation Research and Design, and the equipment used—Ecarom-800 and Coral-4011 computers—was also built by Romanian enterprises: the Automation Parts Plant and the Computers Enterprise of Bucharest.

The new railway system presents many advantages: approximately 15 percent increased real traffic capacity, smoother traffic flow and more regular schedules, and annual savings of 2,300 tons in diesel oil and 30 million kWh electric power.

Similarly, as a natural consequence of the improved regularity and flow of traffic, it will be possible to run 14 additional trains each day, to increase the capacity of freight trains, and to improve passenger services.

12782

YUGOSLAVIA

Failure of May Economic Measures Analyzed
28000012 Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 12 Sep 88 p 9-11

[Article by T. Duzemic: "Economic Trends: 'Out of the Frying Pan and Into the Fire'"; first paragraph is source introduction]

[Text] Reasons for the failure of the May economic policy. The consequences of ignoring the special features of the system. "Rapid" producer prices in industry point to a further surge in inflation. Room for lowering consumption only in the budgets.

The failure of the restrictive economic policies that have been applied since 29 May is obvious. However, despite some reservations, these measures received the support of every federal body (unusual for our circumstances), and support from academics and specialists was not far behind. What went wrong? One frequently cited reason for the failure is the fact that the restrictions were enacted almost solely in the area of personal income, while monetary and credit policy continues to be expansive, which reinforces the increase in supply. This is absolutely right, because a reduction in credits would have to reduce stocks as well. Specifically, enterprises would be forced to take action: first of all, to sell their reserves, and secondly, to decrease production. Selling reserves would result in an increase in reported losses, while decreased production would mean an increase in unit costs, which would certainly not slow down the climb in prices. (Practice constantly refutes the idea upon which economic policy is often based, that hindering the disposal of goods to the domestic market facilitates a reorientation towards exports and a restructuring of production.)

The basic reason for the failure is that the measures that were put into effect were not adapted to our socioeconomic system, which is dominated by specific, distinctly noneconomic interests in terms of the overall economy

(there is no interest in accumulation; rather, the predominant motive is maximizing current personal income and collective consumption, even at the expense of existing property). Another reason is the lack of basic material assumptions for reasonably normal operation of enterprises—the state induces inflation, charges a high prime interest rate, obliges enterprises to continually reevaluate costs and supplies (which directly fuels inflation), and increases the supply of credits, interest charges and NBY [National Bank of Yugoslavia] revenues. Under these conditions, the utter failure of the restrictive economic policy measures is inevitable, even though in a market economy they would have yielded some positive results. Thus, the overall economy is on the brink of bankruptcy, the standard of living is falling at a faster pace, social pressures are on the rise, the solution is being sought in economic allocation and general impoverishment, attempts to introduce market criteria in business transactions are being compromised, etc.

Consequences of the Restrictions

In principle, the economic policy measures that have been in effect since the end of May are good; they are based on the liberalization of prices, the liberalization of imports, and on the policy of a real and stimulative exchange rate for the dinar. In practice, they are also effecting significant restrictions. A more sluggish growth in the money supply and in credit in relation to inflation is anticipated. Also restricted is the nominal growth in the personal income of workers in the economy and in social services; the restriction of public consumption is also specified. All the restrictions were drawn up on the basis of the targeted rate of inflation, where the growth in retail prices in December of this year compared to December of last year is planned to be between 90 and 95 percent. Indeed, restrictions in the personal income, public consumption, and monetary and credit policy sectors ought to make it possible to achieve this fixed level of inflation.

Since the basic premise applied to drawing up the measures completely ignored the specific features of the system, the special status of enterprises, and the special motives of the leadership and of workers, and since on the whole the essential material problems and breakdowns in the structure of the property economy were neglected, the measures undertaken have been unable to yield the effects anticipated by the government. The most unmistakable consequence of these measures is the acceleration of inflation, since the increase in prices was also significant during the period in which they were frozen (until the end of May). The so-called targeted level of inflation was surpassed as early as August. Retail prices are 98.8 percent higher compared to December, and nothing is being done that could truly result in a perceptible decrease in inflation.

The growth in the industrial production prices is even greater. Prices in industrial production in August were 14.9 percent higher than in the previous month, while

they were 104.7 percent higher than in December of last year. The greatest increase in prices in August (compared to July) was in coal refining (71.5 percent), oil production (43.2 percent), the production of oil derivatives (32.1 percent), and the electrical industry (39.8 percent). The more rapid increase in producer prices compared to retail prices is an unmistakable indication that we will be experiencing a price increase on the retail markets later on.

If this increase in prices continues (and even if it lessens or even falls to a monthly rate of between six and eight percent), the targeted level of inflation will be surpassed by about 60 index points. Under these circumstances, what would be the significance of maintaining so-called nominal anchors in the area of personal income, in the area of public consumption, and in the area of money and credit? It is certain that this would result in a drastic decrease in real personal income, that insolvency would increase, that this would cause a further decrease in production and an increase in expenditures, that social activities would be in a decidedly difficult position, and that the budgets of the sociopolitical communities would have to be significantly curtailed.

The first question is: Are these nominal restrictions being complied with today? Data from the periodical assessments of the economy for the first adjustments confirm that the restrictions in the area of personal income are being strictly obeyed. Average net personal income in the economy from January to June of this year managed to rise by 139 percent compared to the same period last year. Average personal income was 138.3 percent higher, which is 0.7 index points below the permitted limit. As far as the other restrictions are concerned, the situation is fundamentally different. In the area of credit-monetary policy, the restrictions are not being observed, according to Economic Trends of Yugoslavia, drawn up by the Economic Institute of the Law Faculty in Ljubljana: "Trends in monetary and credit microaggregates confirm that monetary and credit policy, which should be part of the basic program of stabilization, does not at all exist." The money supply continues to increase at rates approaching 8 percent annually; cash at 7.37 percent monthly, total deposits at 8.17 percent, of which deposits of the economy are growing at a rate of 7.57 percent and deposits of the noneconomy at 8.42 percent.

The established restrictions are also not being observed in the area of public consumption. This is indicated by data on income in the budgets of sociopolitical communities, SIZ [self-managed community of interest] social activities, and social funds.

Total general and collective consumption during the first 6 months of the year was both above the established limit and above the increase in income in the economy. An example here is provided by the budgets of the sociopolitical communities where, instead of a real decline, a major real increase in this income was

recorded. The decrease in income that should be achieved in the second half of this year would significantly decrease the budgets of the sociopolitical communities. The solution cannot be to cut some taxes and tariffs while increasing illegal income in terms of the prime interest rate, which is not (but should be) a component of the federal budget.

Futile Sacrifices

Thus far, the restrictive measures have almost exclusively affected personal consumption, primarily through the personal income of workers in the economy and in social services. According to figures from the Public Auditing Service of Yugoslavia, the average real personal income of workers in the national economy during the first 6 months of this year was 8.4 percent less than in the same period last year. The decline has been especially significant in recent months. This can be seen from June figures on personal income. The average net income in the Yugoslav economy in June was 14.4 percent less in real terms compared to the same month last year.

If the average real personal income of workers in the economy this year turns out to be 15 percent lower than the level last year (its decline would be at least that much if the prescribed restrictions were observed), it would be a total of 12 percent above real personal income in 1965. This means that average real personal income would be at the same level as in 1966, which would represent going back 22 years in time.

It is not only the real personal income of workers in the economy and real consumption by the population that is declining. Investments as well are falling off from one year to the next. From January to July of this year, total expenditures on investments in fixed assets underwent a nominal increase of 120 percent compared to the same period last year. This means that in real terms they fell by around 15 percent. The decline in investments is not unique to this year. They have been declining for nearly 10 years now, and are currently at a level that does not even ensure that the existing capacities will be maintained. Essential, however, is a change in the structure of exports for financing investments. The share of credits is currently negligible. Funds from investors account for 84.4 percent of total expenditures for investments. Investments in Vojvodina, where the share of funds from investors is 96 percent, and in Slovenia (93.8 percent) are almost exclusively financed by private funds from investors and funds earmarked for financing investment. Only in Kosovo (and to a lesser extent in Montenegro) do credit relations continue to dominate: The share of funds from investors is 35.5 percent, compared to 61.9 percent.

A normal consequence of restrictive measures is a decline in production and trade. Industrial production in the first 7 months of this year was 1.8 percent lower compared to the same period last year. A greater decline

in production was witnessed in Slovenia (4.4 percent) and Macedonia (3.8 percent), while the only significant increase was in Kosovo (2.9 percent), but even there the trend of decline is present.

The turnover of commercial goods (in fixed prices) is declining, but not to the same extent that the real personal income of workers in the economy and social services is falling. Real turnover in July was 13 percent less than during the same month last year. Since the beginning of the year, retail turnover expressed in fixed prices has been 3.7 percent less than during the same period in 1987. Retail supplies at fixed prices are decreasing. Wholesale turnover at fixed prices is also dropping—in July it was 10 percent less than in July 1987, and 7.6 percent less than in June.

Although the restrictive economic policy measures were not in effect from January to June of this year, the financial results of economic transactions indicate that the difficulties in the economy are increasing. Losses came to nearly 2.8 trillion dinars, which was significantly greater than total reported accumulation. Stocks also increased, especially stocks in incomplete production, finished products and goods, which were greatly promoted by the system of revaluation.

A particular problem is the growth in insolvency. Total consumer credit exceeded 31 trillion dinars on 30 June of this year, an increase of 181 percent compared to the same day last year.

The share of consumer credits within total working capital increased from 33.6 percent to 37.8 percent, or by 4.2 percentage points. Supplies and consumer credits indicate that the basic generators of inflation are becoming increasingly pronounced and that there are no real prospects for a decrease in inflation, at least through the end of the year.

Positive results have been realized only in foreign trade. The slowdown in the growth of exports ended at the end of August of this year. During August, total exports were 16.7 percent greater than during the same month last year, and 14.3 percent higher than from the beginning of the year until the end of August. There was also a more substantial increase in imports (17 percent) during August, while total imports increased by 3.3 percent from the beginning of the year. The share of exports in imports from January to the end of August was 95.5 percent. In exchanges with socialist countries, there is a surplus—exports were 7.8 percent higher than imports. In East European payments, the surplus is smaller (imports were 6.4 percent higher than exports).

Outlook Through the End of the Year

The targeted rate of inflation through the end of the year will probably be exceeded by around 60 index points. Maintaining nominal anchors under these circumstances is difficult, if not impossible, in terms of the distinctly

low level of personal income, where all reserves have long since been exhausted. There is one possibility—a more significant decrease in taxes and social contributions from personal income (provided that they are not rolled over into income, as has been done), since this would make it possible to maintain the restrictions (it is not net, but rather gross personal income that is restricted) and lower public consumption. Is this a real possibility? In view of the current trends in budgetary consumption, this solution is not very realistic. It is difficult, if not impossible, to reduce contributions to personal income and to keep them from being rolled over into income, since this would automatically result in a blockade on the functions of social activities, as much because of a lack of resources for financing material expenditures as because of the inevitability of a further drop in the personal income of workers in social services, which is already quite low.

The only room for reducing already-constituted consumption is in the budgets of the sociopolitical communities. Here, it would be necessary to stay within the limits established by the economic policy measures after 15 May of this year. Keeping the money supply and credit within the established bounds, but without significant changes in the structure of the property of economic organizations, would result in a further increase in insolvency, general inequity, the further accumulation of supplies, consumer credits and liabilities, a growth in operational costs, inflation, and losses. This means that what is first needed is a decision on several fundamental material assumptions.

In view of their linear nature, the measures taken to restrict the growth of personal income are not stimulative. Accordingly, it is expected that Federal Executive Council will make possible a rapid growth of personal income in organizations that achieve above-average results. However, the problem is the distinctly low level of personal income in organizations that function poorly. Almost the entire economy functions poorly, which is demonstrated by the fact that for the past year

and a half losses in the total economy have been significantly greater than total accumulation. Regardless of the financial result achieved by the individual enterprise, the effects on growth in personal income will be increasingly frequent and increasingly massive.

One cannot blame the creditors and the IMF for the lack of real vision in Yugoslavia about how to resolve the crisis. And this means in turn that there is no real program of any kind. The program for consolidating the foreign debt was formulated solely to relieve the financial burden, or rather to put it off until tomorrow. True consolidation has not been carried out. The same is true of the so-called internal debt, most of which would not exist if a real consolidation of the foreign debt were carried out. The fact is that in Yugoslavia there is no debtor for around 50 percent of the foreign debt and for nearly 90 percent of the liabilities towards foreign exchange depositors. There are only two ways in which—or sources from which—the debt can be repaid: existing property or future earnings. Moreover, it is necessary that the question of which part of the debt will be repaid from property and which part from future earnings be determined rationally. Here one must also know exactly which property and which earnings are in question.

A solution to the problem of the structure of property in the economy, or rather the lack of cash for financing current business, is urgently needed. Abandonment of the existing accounting system is also urgently needed and possible.

If there is not a rapid, practical, and rational solution that will gradually lead the country out of the crisis and make it possible to devise and gradually introduce an efficient market self-management system, all indications are that this year—amidst the pressure of social unrest caused by ever-increasing dissatisfaction with the impoverishment of the majority of the population, strengthened by demagogic instigation that is in turn motivated by a struggle for power—will be one giant step backward in socioeconomic and sociopolitical terms.

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